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Near East & South Asia

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CONTENTS

12 July 1990

INTERNATIONAL AFFAIRS

New Soviet Interests in Middle East Examined [HA'ARETZ 27 Apr]	1
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NEAR EAST

REGIONAL AFFAIRS

US Threats Toward Arab States Detailed [Paris AL-YAWM AL-SABI' 4 Jun]	3
Soviet Immigration to Pre-1967 Israel Debated [Paris AL-YAWM AL-SABI' 21 May]	4
Increase Predicted in Arab-German Economic Relations [Kuwait AL-QABAS 10 May]	5
Statistics for Joint Ventures With Non-Saudi Firms [ARAB NEWS 23 May]	7
Article Analyzes Trade Barriers Between GCC States [ARAB NEWS 22 May]	10

EGYPT

Butrus Ghali Discusses Socialist Internationale [AL-AHRAM AL-DUWALI 22 May]	12
Industry Minister Discusses Private, Public Sectors [AL-AHRAM AL-IQTISADI 21 May]	13
Text of Court Ruling on Assembly Unconstitutionality [AL-AKHBAR 20 May]	13
Referendum on Dissolving People's Assembly Sought [AKHIR SA'AH 23 May]	17
Engaging Parties in Electoral Decisionmaking Advised [AL-MUSAWWAR 25 May]	18
Bank Director Maps Out Sectors of Financial Growth [AL-AHRAM AL-IQTISADI 21 May]	20
AL-AKHBAR Reports Alleged Defense Industry Plans [AL-AKHBAR 7 May]	22
Abolition of Holiday Fails To Stimulate Workers [AL-AKHBAR 13 May]	22
Islamic Council Leader Argues Against Religious Parties [AL-AHRAM AL-DUWALI 9 Jun]	23

ISRAEL

'No-Peace Culture' Said To Characterize Society [HA'ARETZ 2 May]	24
--	----

JORDAN

Muslim Leader Discusses Ties With PLO, Jewish 'Crimes' [AL-LIWA' 30 May]	25
--	----

KUWAIT

Annual Report on Trade, Industry Published [AL-QABAS 15 May]	28
--	----

SUDAN

Professionals Surveyed on Structuring New Government [AL-INQADH AL-WATANI 20, 22, 29 May]	30
--	----

YEMEN ARAB REPUBLIC

Prime Minister al-'Attas Interviewed on Unity Issues	35
Transitional Period Discussed [Cairo AKHIR SA'AH 6 Jun]	35
State Institutions Discussed [Nicosia AL-HURRIYAH 10 Jun]	38
Formation of New Committee, Publication Announced [London AL-DUSTUR 21 May]	39

SOUTH ASIA

REGIONAL AFFAIRS

Article Emphasizes Japan's 'Greater Role' in South Asia [THE NATION 11 May]	40
---	----

BANGLADESH

Dhaka, Moscow Sign 3-Year Cultural Exchange Pact [THE BANGLADESH OBSERVER 20 May]	41
Developments in PRC-Bangladesh Cooperation, Trade	41
Deficit Discussed [THE BANGLADESH OBSERVER 14 May]	41
Investors' Forum Outcome [THE BANGLADESH OBSERVER 15 May]	42
Composition of Jatiya Central Working Committee Noted [THE BANGLADESH OBSERVER 16 May]	43
Paper Reports Developments in Bangladesh Communist Party	43
Effects of Perestroika, Glasnost [THE BANGLADESH OBSERVER 16 May]	43
Political Resolution Drafted [THE BANGLADESH OBSERVER 31 May]	44
Paper Comments on Kashmir, Reports Reaction	44
Deputy Prime Minister's Statement [THE BANGLADESH OBSERVER 25 May]	44
Communist Party's Concern [THE BANGLADESH OBSERVER 25 May]	44
Visa for JKLF Leader? [THE BANGLADESH OBSERVER 23 May]	45
Political Parties' Reaction [THE BANGLADESH OBSERVER 23 May]	45
'Rethink' Situation Urged [THE BANGLADESH OBSERVER 17 May]	45
Asian Development Bank Concern Over Bangladesh [THE BANGLADESH OBSERVER 24 May]	46
New Student Organization Formed at Dhaka University [THE BANGLADESH OBSERVER 23 May]	46

INDIA

Correspondent Reports 'India-Bashing' in U.S. Congress [THE TELEGRAPH 13 May]	47
UN Report Says Human Rights Violated in Punjab [THE STATESMAN 9 May]	48
Report on V. P. Singh's Inflight Press Conference [THE TIMES OF INDIA 14 May]	49
Indian, Pakistan Delegates Clash at UN Session [THE TIMES OF INDIA 19 May]	50
Protest Against Pakistan Aid to Punjab Terrorists [THE TIMES OF INDIA 16 May]	51
Press Reports Developments in Indo-Soviet Relations	52
Scientific, Technical Cooperation [THE TIMES OF INDIA 22 May]	52
Nehru-Katushev Talks [PATRIOT 15 May]	52
Burmese Settlements Spring Up in Manipur [THE TELEGRAPH 11 May]	52
Home Minister Tells Delhi Policy on Punjab [THE HINDU 2 May]	53
Dikshit Quits Congress-I Panel in Dispute With Gandhi [THE TELEGRAPH 9 May]	54
Results of CPI Politburo 27-30 Apr Meeting Told [THE HINDU 2 May]	54
CPI-M Leader Describes Current Political Situation [THE TELEGRAPH 8 May]	55
BJP Delhi Rally Urges Strong Action Against Pakistan [THE TELEGRAPH 3 May]	57
Tota Singh Appointed Interim Head of Akali Dal [THE TIMES OF INDIA 22 May]	58
Engineers Oppose Use of Soviet Technical Equipment [THE STATESMAN 5 May]	58
Reportage on Asian Development Bank Meeting in Delhi	59
Singh Opens Meeting [THE TIMES OF INDIA 3 May]	59
Report on Dandavate Speech [THE TELEGRAPH 3 May]	60
Indian Hopes Scuttled [THE TIMES OF INDIA 5 May]	61
ADB Report [THE TELEGRAPH 5 May]	62
Singh's 'Significant Enunciation' [PATRIOT 3 May]	63
Audit Scores Submarine Construction, Defective Armament [THE TIMES OF INDIA 11 May] ..	63
Submarine-Building Project 'Grossly Underestimated' [THE TIMES OF INDIA 11 May]	63

IRAN

Tudeh, Fedai Leaders See Perestroika as 'Positive' [Nicosia AL-HURRIYAH 13 May]	64
---	----

NEPAL

Hindu State Can Coexist	[THE MOTHERLAND 28 May]	67
-------------------------	-------------------------	----

PAKISTAN

PPP Leader Urges Opposition To 'Play Fair'	[THE MUSLIM 27 May]	67
'Save PPP Movement' Plans Protest	[THE MUSLIM 20 May]	68
COP Legislators Ask Government To Quit	[THE MUSLIM 25 May]	68
COP Concerned Over RAW's Interference	[THE MUSLIM 27 May]	69
Jatoi Claims COP Can Prove Corruption Charges	[THE MUSLIM 26 May]	70
MQM Chief Says Mohajirs 'Living Miserable Life'	[THE MUSLIM 27 May]	70
400 Students in USSR Get Pakistani Passport	[THE MUSLIM 26 May]	71
Punjab-Center Tussle: Decision To Suspend Hostilities Welcomed	[NAWA-I-WAQT 25 Apr]	71
Article Views Agricultural Tax, Islamic Law	[THE MUSLIM 27 May]	72
Shariat Bill Termed 'Controversial'	[THE MUSLIM 27 May]	73
Commentary: 'Be Wary of America'	[NAWA-I-WAQT 25 Apr]	74
Commentary Terms PPP-COP Allegations 'Nauseating'	[THE MUSLIM 26 May]	75

New Soviet Interests in Middle East Examined

90AE0062 HA'ARETZ in Hebrew 27 Apr 90 p B3

[Article by Shlomo Avineri]

[Text] Evgenii Primakov is currently serving as chairman of one of the two houses of the Supreme Soviet. He is one of the statesmen closest to Mikhail Gorbachev. He was previously the head of the Institute of World Economics and International Relations in Moscow and, prior to that, head of the Oriental Institute of the Soviet Academy of Sciences. For many years, Primakov was the Soviet press correspondent in Cairo, and he has published one of the most comprehensive and interesting Soviet books on the Arab-Israeli conflict, which has been translated into English. He is considered one of the most knowledgeable Soviet experts on the Middle East and, according to Moshe Zak's book "Forty Years of Dialogue With Moscow", he has secretly visited Israel.

In the summer of 1986, an Israeli researcher who had been invited to the Soviet Union by the Soviet Academy of Sciences met with Primakov. The two had met before, but this was their first meeting in the Soviet Union. Primakov surprised his Israeli interlocuter by saying that a change had recently evolved in Soviet thought regarding the Middle East, and that this new assessment would be consequential for the region's future.

According to Primakov, traditional Soviet thought viewed the Arab-Israeli conflict as the principal focus of tension and danger, lest a new war break out in the region. Within the framework of the "new thinking" characteristic of Gorbachev's regime, however, a re-evaluation of this tenet has been made.

In contrast, the "new thinking" in the Soviet Union indicates that a new cause of regional tension exists, Muslim fundamentalism. The Soviet Union views this element as the main focus undermining regional stability. Muslim fanaticism, by nature, negates the regional status quo and undermines the very existence of the Arab countries based on ideologies of a secular nation state. It was because of the danger of Muslim fundamentalism—and not due to strategic considerations of oil or global conceptions involved in the attempt to arrive at the Persian Gulf—that the Soviet Union intervened in Afghanistan. In the wake of the Khomeini revolution in Iran, and with the weakening of pro-Soviet elements in Afghanistan, the Soviet Union feared that Muslim fanaticism would spill over from Iran into Afghanistan, from where it would be likely to spread to Muslim regions of the Soviet republics in Central Asia. The expansion of this fanatic Islam endangers the regional stability of the Middle East and the integrity of the Soviet state.

On this issue, claimed Primakov, an interest common to the Soviet Union, United States, and Israel surprisingly is being formed. Instead of a polarized situation in which the Soviet Union and Israel stand at opposite ends of the political and strategic spectrum in the Middle East, a

situation is gradually taking shape in which Israel and the Soviet Union have a common realm of interests, and the element threatening the relative stability in the Middle East is a hostile one to both countries.

This conversation in the summer of 1986 was one of the first Soviet signals that the Gorbachev regime was reassessing the situation in the Middle East, and that the attitude of confrontation and enmity that had characterized the Soviet Union's stance toward Israel, since the rise of Jamal 'Abd-al-Nasir in Egypt, was being replaced by a new geopolitical approach. Although, according to this new approach, the Soviet Union and Israel were not of one mind, alongside the disputes, realms of common interests were formed. The orthodox Soviet attitude which viewed the world from a polarized perspective was being replaced by a distinct and complex approach.

The events of recent years in the area of Israel's relations with the Soviet Union, as well as with other Eastern European states, follow Primakov's evaluation of 1986. There were complex reasons for this dramatic, albeit gradual, development in relations, and it was fueled by many sources. The Eastern European states' gradual emancipation from Soviet hegemony, while searching for backing and support in the West, caused them to seek a path to the heart of Western public opinion via Israel and the American-Jewish public.

Within the Soviet Union, this change was brought about by the joining together of the processes of internal change and the global formation of Soviet policy led by Gorbachev: internal liberalization of the Soviet regime, making room for the Jewish public culturally and spiritually. [These changes produced] the opening of the gates of Jewish emigration to the West and to Israel, part of the policy of perestroika with the United States, as well as the decrease in Soviet involvement in the Third World—in Latin America and southern Africa—which also influences the weakening of Moscow's reference to the Arab component in its foreign policy. The danger of Muslim fundamentalism that Primakov pointed out in 1986 has, in the meantime, brought about violent and murderous manifestations within the Soviet Union. This has, so far, been expressed by anti-Armenian and anti-Russian pogroms in Azerbaijan and Tagakistan.

While the Soviet Union is not yet ripe for renewal of formal relations with Israel, it is clear that its policy is departing from massive support of Arab interests. Instead of a policy of hostility toward Israel, which often bore more than a tinge of clear anti-Semitic manifestations, the Soviet Union is developing a balanced and complex policy that views Israel as one of the elements that must be considered when determining the priorities of Soviet policy in the region.

The Soviet reaction to Arab pressures regarding immigration to Israel indicates that the Soviets do not fear a confrontation with the Arab states. While the Soviet Union reiterates its opposition to settling the immigrants in the West Bank, official Soviet statements emphasize

that the Soviet Union does not intend to change its policy, despite Arab protests. Recently, in the newspaper "Moscow News", the Soviet deputy foreign minister derided the Arab states, noting that he did not understand the protests of Arab ambassadors regarding the Jewish exodus. The Arab states, according to their ambassadors in Moscow, had set no restrictions on their citizens' freedom to leave - how could they ask the Soviet Union to impose on its own citizens restrictions not acceptable in the Arab states themselves? It is no secret that during the crisis regarding flying the immigrants through Hungary, the Soviet Union assisted the Hungarian government in overcoming the terrorist threat directed against Maleb, the Hungarian national airline.

Within the framework of the new Soviet global policy, the Arab states do not currently have any political or economic assets to offer the Soviet Union. An aggressive and outwardly expansionist Soviet state needs outposts that the Arab world can provide, but a Soviet Union concentrating on solving its internal problems, reforming its failing economy and maintaining its territorial integrity, while severing most of its international commitments in the Third World, is not in need of what the Arabs have to offer.

Nor would it be surprising if the pragmatic new leaders of the Soviet Union had become somewhat weary of Arab rhetoric and the intermittently whining and threatening blackmail of the Arab states.

For the first time in 35 years a significant geopolitical change is taking place in Israel's strategic status in relation to the Soviet Union. Since the days of Nasir and the Soviet-Egyptian alliance, a close partnership of interests has been forged in the Middle East between radical Arab nationalism and the global interests of the Soviet Union. The Arab states had Soviet power backing them in their conflict with Israel; in its confrontation with the Arab states, Israel also found itself in a political, diplomatic, ideological, and security confrontation with the second largest power in the world.

As one can learn from other international conflicts, however, changing circumstances create changing alliances. The new orientation of Soviet policy means that, for the first time since 1955, the Arab states no longer have the automatic backing of a world power. Part of the Arab verbal aggression toward the waves of immigration from the Soviet Union, as well as the terrorist threats

directed against this immigration, is testimony to the Arab states' perception of weakness and failure, in light of this dramatic change in the balance of power between the Arab states and Israel. Recently, the Syrian and Iraqi press have been mentioning the Soviet Union's assistance in the establishment of Israel in 1947-48. This, too, is testimony to the Arabs feeling that they have been betrayed and neglected by their hitherto traditional friend. A tone of bitterness toward Moscow can even be heard in recent statements by Hafez al-Assad.

The establishment of open relations between Israel and most of the countries of Eastern Europe, as well as the strengthening of common interests between Israel and the Soviet Union (even in the absence of full diplomatic relations), removes Israel for the first time in decades from its isolation from a region which is geographically, historically, and culturally close-knit. Arab states that no longer have the automatic support of Moscow, and an Israel that has open lines of communication with the Soviet Union and Eastern Europe, constitute a system that creates a new strategic balance in the Middle East, a balance more congenial to Israel. It is to be hoped that Israeli policy makers once they free themselves of their coalitional struggles—will be wise enough to take advantage of this comfortable and revolutionary situation while seeing the latent future potential for further strengthening Israel's international status.

And, as a footnote: In light of these developments, the issue of establishing the Voice of America transmission station in the Arava must be reconsidered. According to the testimony of Israeli and American government sources, the Arava transmission station will broadcast primarily toward the Muslim republics of Central Asia. The political forces at work against Soviet rule in those states are mainly related to Muslim fundamentalism. It is doubtful whether it is in the interest of the United States (after its bitter experience in Iran and Lebanon) to court these forces - but that is the Americans' problem. From the Israeli perspective, there is certainly no current Israeli interest in encouraging Muslim fundamentalism in the Soviet Union against a Soviet government shedding its attachment to the Arab states, facilitating the mass exodus of Jews to Israel, and re-establishing Israel's historic relations with Eastern Europe. It is clear that, when faced with a choice between Gorbachev and Khomeinism, the Israeli interest does not lie with the latter. Additional consideration and a courageous decision on the matter are now called for.

REGIONAL AFFAIRS

US Threats Toward Arab States Detailed

90AE0069B Paris AL-YAWM AL-SABI'
in Arabic 4 Jun 90 p 5

[Article by Bilal al-Hasan: "Eight American Threats"]

[Text] The letter sent by the American administration to the Arab Summit via the secretary general of the Arab League is an ideal example of 20th century colonialism. It is an example of a period in history in which the United States is the solo player on the international scene.

Whereas classical colonialism, the colonialism of military occupation, is repugnant, arrogant, and harmful, 20th century colonialism, which is practiced by the United States, is even more repugnant, more arrogant, and more harmful.

U.S. colonialism is based on threats and economic blockades. It exploits bread and butter issues, and it buys and sells people's livelihoods. U.S. colonialism fans the flames of regional wars, and it uses others to fight its wars.

U.S. colonialism is totally unprincipled and lacking in all values. Not only does it not follow the simplest levels of logic, it does not in fact feel that it ever needs any logic of any level.

In making such a statement, we neither exaggerate nor indulge ourselves in rhetoric. What we are saying is clearly manifested in the letter which was delivered to the Arab Summit. It was a threatening and a menacing letter, full of dictates and conditions [which had to be met], or else.

This letter contained eight threats to the Arabs, which we summarize as follows:

The first threat: Arabs may not demand that an international conference be convened. The idea of negotiating with Israel under the conditions that Israel wants is the only idea to which they must yield. That is why the American letter states that "putting emphasis on convening an international conference will be counterproductive."

The second threat: Arabs may not demand that the talks which the United States wants the PLO and Israel to hold be held. They have to agree that Israel hold talks with unknown Palestinians. That is why the American letter calls upon the Arab Summit "to express total support for the efforts which are being made by Palestinians and by Egypt to hold an Israeli-Palestinian dialogue."

The third threat: Arabs may not oppose foreign immigration to their countries, and they have to defend Israel's right to accept immigrants. That is why the American letter states, "We hope the summit will issue

no statement which could be construed as an attempt to oppose the right of Soviet Jews to emigrate or Israel's fundamental interest in accepting those immigrants in Israel proper."

The fourth threat: Arabs may not defend themselves against Israel's threats. That is why the American letter speaks about "our legitimate concern over Iraq's irresponsible statements regarding the use of missiles and chemical weapons."

The fifth threat: Arabs may not demand the departure of foreign troops from their lands and their waters. That is why the American letter calls upon us "not to criticize our (the American) peaceful presence in the Gulf to support our friends."

The sixth threat: Arabs may not demand that Israel be monitored for its ownership of weapons of mass destruction. They must accept that they alone be monitored. That is why the American letter asks that "no close connection be established between the methods used to monitor the various kinds of weapons."

The seventh threat: Arabs may not demand that Israel's nuclear weapons be removed. That is why the American letter states that "the establishment of a zone in the Middle East that is free of nuclear weapons must not become a precondition to an agreement about a comprehensive treaty on chemical weapons which would be binding for all countries in the Middle East."

And the final insult is that Arabs may not criticize the United States of America. The letter hopes "that the Summit will avoid making any critical reference to the United States of America."

We do not believe that many letters of this kind can be found in the history of modern world diplomacy. This was not a threatening letter; it was a letter declaring war against all Arabs: moderates and hardliners. The American administration's letter was a declaration of war against its friends and its enemies. The United States sides with Israel against the Arabs whoever they are.

That is why no one thought it was odd that King Husayn, a historical friend of the United States, spoke in such a bitter tone about the dangers of immigration which is threatening Palestine and Jordan.

That is why no one thought it was odd that President Saddam Husayn declared that he had not intended to use the term, American imperialism, but that he used it after reading the American letter.

That is why no one thought it was odd that President Yasir 'Arafat declared, after being told about what the Americans were demanding in that regard, that he would insist on calling for an international conference.

That is also why no one thought it was odd that the Arab letter which was addressed to the Bush-Gorbachev Summit talked about Jewish immigration, about the international conference, and about the right to acquire

and use technology. In other words, the letter talked about everything against which the American letter had made its threats.

American provocation and American threats to the Arabs are such that even moderates find themselves forced to adhere to the simplest rules of protecting their dignity. In the face of an American sense of self-importance that knows no bounds, Arabs have to protect their dignity.

The U.S. letter to the Arab Summit means one thing only. It means that the United States is pushing matters in the Arab region in one direction: the direction of war. The U.S. letter also means one thing: it means that the United States is giving Israel direct encouragement to prepare itself for declaring this war.

The Arabs may not be able to stop or thwart U.S. policy. After all, the United States is a superpower. In fact, what we feel now is that the United States is the only power dominating the world.

The Arabs may not be able to stop Israel from preparing itself for war. After all, Israel is a major power. In fact, Israel feels that the absolute support it receives from the United States is such that not only is it encouraged to wage war, but it is also encouraged to fight, to occupy land, and to drive Palestinians out of their country.

That is why radical as well as moderate Arabs have no other choice but to declare their solidarity with each other in earnest. They have to concentrate on building their own power and on preparing themselves to defy American pressures. The Arabs have to follow President Saddam Husayn's advice when he warned them against "a short-lived reaction to an Israeli attack should they be subjected to such an attack." Saddam Husayn issued this warning "because Israel's power is built on a strategy of seizing significant targets quickly in the least possible time and with the least possible losses."

We say this with the knowledge that a manifestation of weak resolve was evident at the summit meeting. We know that encouragement and support are needed to strengthen and stiffen that resolve.

We know that there was some shirking of responsibility at the summit. Those who attracted attention to themselves by obstinately boycotting the summit and those who even quarreled with their friends because they were adamant about their position shirked their responsibility. They may have done so because they knew that the battle between the summit and the United States would be fierce, and they wanted to stay out of it. While they spoke out in empty, revolutionary words, what they wanted was to be rewarded quietly for staying out of the battle.

Soviet Immigration to Pre-1967 Israel Debated

90AE0069A Paris AL-YAWM AL-SABI'
in Arabic 21 May 90 p 5

[Article by Bilal al-Hasan: "Immigration to Territories Seized in 1948 and Territories Seized in 1967 Is Dangerous"]

[Text] It is not true that Jewish emigration from the Soviet Union is a threat only to those Palestinian territories occupied by Israel since 1967, nor is it true that Israel has the right, as an independent, sovereign state to receive Jewish immigrants in Palestinian territory it occupied in 1948.

Jewish immigration to Palestine, especially that of the large number of Jews coming from the Soviet Union, is a threat to the Palestinian people living in land occupied in 1948 and in land occupied in 1967. This Jewish immigration is also a threat to Palestinian refugees wherever they found refuge in their diaspora.

In the territory which was occupied in 1948, that is, in al-Jalil, the Negev, Beer Sheba, Haifa, Jaffa, and Nazareth], Jewish immigration signifies that Palestinian land, which came to be called "the state of Israel," is taken away from Palestinians who had been living on that land. Attempts are now being made in the Negev and in Beer Sheba in particular to round up residents in specific centers so that the large areas of land they own can be taken away from them. This is the direct indicator that emigration means dispossessing Palestinians of the land they own and still live on and turning that land over to Jewish immigrants. In the area of al-Jalil, which has the largest number of Palestinian residents, Israel has refused offering assistance to the municipalities of towns and villages for 42 years. When Israel refuses to offer assistance; when it refuses to carry out its responsibilities as a state; when it does not provide and extend necessary road and sewage services; when it does not set up civilian organizations, open schools, and so on and so forth, it is making life difficult for Palestinians, thereby forcing them to "migrate" to other areas in the country to ensure their livelihood. When that happens, Palestinians give up on farming the land, and that makes it easier for the Israeli government to carry out its plan of gaining control of the land.

Ariel Caspi, an Israeli author, has this to say about this matter: "In Israel, most of the people who are poor and destitute are Arabs. According to a classification made by the Central Bureau for Statistics, the 100 districts in Israel which are experiencing severe difficulties are Arab districts, and none of them is included in a reconstruction project."

The same Israeli author says, "A large part of the local councils' budgets is funded by the government's ministries. Residents of a settlement receive very large government grants if their economic situation is very poor. Whatever they get, the Arabs always get less. A Jewish citizen gets five times what an Arab citizen gets. The

social assistance budget which most local Arab councils get is ridiculous." (HA'ARETZ, 12/1/1989)

The logical alternative to this Israeli policy is "to disperse" Palestinians so that Jewish immigrants can establish their foothold. Another is to save those funds which must be spent on Palestinians so they can be spent on Jewish immigrants. In both cases Palestinians living in Israel are destroyed because of Jewish immigration. (The number of Palestinians in the state of Israel has exceeded 700,000 persons.)

With regard to Palestinians who were forced to leave Palestine in 1948, the United Nations issued a resolution stating that these Palestinians have the right to return to their country or to receive compensation if they do not wish to return. Israel rejected that resolution on political grounds when it was issued, and after rejecting it on political grounds, it is rejecting the resolution now on "material" grounds because this new, large wave of immigrants, with which it is faced, cannot be taken into this land. This does not mean, however, that Jewish immigration would stop; it rather means that Arabs will be asked to accept the nullification of "their right to return to Palestine."

The question of immigration and its effect on the areas which were occupied in 1967, that is, the West Bank and the Gaza Strip, does not take precedence over these two issues. This is the question which the Soviet Union and the United States emphasize when they talk about the subject, albeit one notes there are fundamental differences in their positions.

After creating the problem under the slogan of perestroika and human rights, the Soviet Union is asking us to deal with the matter in an international context, that is, at the United Nations and in the Security Council. The Soviet Union is asking us to do this so that a resolution prohibiting the settlement of immigrants in land occupied in 1967 can be issued. This would lay the de facto foundation for the right to immigrate to land which was occupied in 1948.

But the United States, which pledged \$400 million for this immigration, acted like Don Quixote when it made an idle threat against Israel, should Israel use those funds to finance settlements in land occupied in 1967.

Both the Soviet and the American positions are ignoring the fundamental and important question here. They are ignoring the fact that a large number of immigrants coming into a small, overpopulated area of land will inevitably create human, economic, and social pressures that will prod Israel to annex Palestinian land which it occupied in 1967 to create adequate geographic space for the new immigrants.

A policy that strives to seize Palestinian land in the West Bank and the Gaza Strip will revive theories about deporting and transferring Palestinian residents to Jordan and to the Arab countries.

A policy which uses force to deport and transfer people will create a climate in the region that is conducive to war. Under the guise of the so-called new Iraqi threat, Israeli newspapers are talking publicly about probabilities that such a war could break out.

It is extraordinary that such a climate for war, which is being objectively fostered by Moscow's and Washington's policies, is being created at a time of international agreement when the two capitals have an understanding about settling explosive regional problems.

It is for all these reasons that we say this: Arab ministers of foreign affairs, when they meet to discuss the agenda for the Arab Summit meeting, and Arab kings and presidents, when they hold their summit meeting after that, are not being called upon to declare their support for Iraq and for the Palestinian intifadah [uprising]. They are being called upon, however, to do something greater and more important. They are being called upon to prepare themselves for a possible war for which Israel has been preparing itself. Jewish immigration established the objective foundation for this war, and the policies pursued by Moscow and Washington are encouraging its outbreak.

This is the crux here, and that is the question. If the Arab kings, presidents, and ministers of foreign affairs do anything else, they would be beating about the bush or ignoring the fundamental danger which this time is affecting everyone.

Everyone is expecting the Arab Summit to meet this challenge.

Increase Predicted in Arab-German Economic Relations

*90AE0056A Kuwait AL-QABAS in Arabic
10 May 90 p 16*

[Article: "Arab-German Trade and Investment Relations Flourish in the Nineties"]

[Text] The fostering of commercial and financial ties between Germany and the Arabs will hinge on factors that are unique to the past and present experience of the two sides and on the substance of wide-ranging reforms now sweeping European countries.

Trade relations between them were bolstered in the wake of the rapid rise in oil prices in the seventies, but falling oil prices during the better part of the eighties caused these relations to degenerate a little.

However, stable market conditions in 1989 gave new impetus to trade between Germany and the Arab world.

An Arab Banking Establishment report said that this trend in the oil sector is expected to continue in the nineties, but it is unlikely that trade will go back to where it was during the economic boom.

This is attributed to the Arab countries' changing needs which have shifted from infrastructure projects widely implemented in past years. Moreover, some Gulf state governments have rationalized their finances, keeping in mind that in the past they used to use their savings to finance their development projects.

Today, they are trying to find foreign sources to finance their projects, including foreign loans and, more importantly as they see it, direct foreign investments in a number of sectors, including oil exploration and development. Note that this sector needs to raise its output capacity to keep up with a projected higher world demand in the nineties.

German financial and production establishments are aware of the changing needs of the Arab world. They see growth opportunities in Arab countries that hold good positions in terms of foreign assets and those that have great development potentials.

Furthermore, it is an accepted fact that the needs of countries like Iraq dictate that their long-term potential be taken into account. Moreover, competition for the newest energy-based projects in the Arab world (few as they are) will require a greater commitment by German contractors, one form being direct investments.

East Europe

However, in view of the enormous needs of East European countries and the opportunities available to German financial and industrial establishments in these countries there, it is doubtful that the Germans are in a position to offer such commitments.

Changes in West German and EEC priorities are reflected in the EEC decision to increase its aid to the East Bloc at a time when it is cutting its aid to developing nations, including the Arab countries. Furthermore, a bank for the reconstruction of East Europe will probably be established.

Such activities may raise some questions about the future of relations between the Arab world and Germany, on the one hand, and the Arab and the EEC, on the other hand.

Their impact on the flow of easy-term money to the Arab world may be overstated. The current rate of aid and official loans offered the Arab world is not high compared to the size of the West German and EEC budgets and, therefore, it will not be reduced because of more aid to the Council for Mutual Economic Assistance [COMECON] countries. Furthermore, it is unlikely that German industry will give up its current markets in the Arab world and elsewhere.

Moreover, focusing attention on East German and other COMECON countries will not allow the German private sector to reap immediate returns. Add to that the fact

that efforts aimed at achieving greater economic integration between these countries and Western economies will be coupled with a measure of caution and circumspection.

The modernization of existing factories and plants in these countries requires major investments that should be deliberated. From this perspective, many Arab countries have an investment opportunity in financing economic restructuring projects in East European countries, either by cooperating with the German industrial sector or by acting independently. Up until now, as far as some Arab countries are concerned, however, investment outflows will conflict with official wishes to transfer technology to these countries.

While most aspects of German-Arab relations can be viewed with a somewhat cautious optimism, the horizons of cooperation in the energy sector are brighter. This is attributed to East European dependence on energy imports from the Soviet Union and to the desire of both side to reduce their dependence on one another. Energy-exporting Arab countries are likely to benefit from such a transformation, but due to hard currency shortages in COMECON countries, they will face financial problems initially. Irrespective of any possible obstacles, talks on cooperation between East European countries and the Arab world in the energy field are under way. The Algerian company, "Sonatrak", is seeking to export gas to Hungary via the Transmid Line and to East Germany and Czechoslovakia in the form of liquified natural gas. Furthermore, Kuwait has expressed an interest in investing in two refineries in Poland and is currently negotiating two contracts to drill for oil in the Soviet Union.

Reforms taking place in East Europe could pave the way for the implementation of the third stage.

As for German unification, East Germany's reliance on lignite to meet its energy needs is a source of worry to West Germany, which is greatly concerned about the environment. East Germany relies on coal to fill about 70 percent of its energy needs whereas oil constitutes 10 percent and gas and nuclear fuel 3.8 percent of its energy consumption.

Oil and gas are likely to take precedence in a unified Germany and the energy-exporting Arab countries will have the opportunity to play a prominent role in this regard.

The consolidation of relations between the Arab world and Germany in the energy field will pave the way for cementing ties between them in other fields in the nineties.

Trade Structure

In 1989, West Germany's need for oil was 2.3 million barrels a day [pbd] compared to 2.4 million a day in 1988. Local production covers less than five percent of the total local demand and the rest is imported.

West Germany buys 60 percent of its oil needs via bilateral deals and the other 40 percent is obtained from oil markets.

Oil-exporting Arab countries had a 35 percent share of West Germany's known-origin oil imports for 1989, the same rate as in 1988. This share, however, does not include oil exports from some Arab countries such as Egypt and Yemen which are listed under the "other Arab countries" category. Furthermore, spot market deals comprise an important factor for Arab oil. Because of special arrangements between Libya and the Hamburg oil refinery, Libya is considered the largest crude oil exporter to West Germany (230,000 bpd). In 1989, Saudi Arabia was in second place (120,000 bpd), followed by Algeria (85,000 bpd). Algeria also exports to West Germany liquified natural gas which accounted for about 12 percent of Algeria's total exports to West Germany in the first six months of 1989. As for Kuwait, its oil-product exports to West Germany were estimated at about 48 percent, which is more than its crude oil exports to this country.

In terms of value, hydrocarbons are considered the main Arab export to West Germany. However, many other Arab countries export to West Germany other products that are vital to their economies. Cotton and cotton textiles accounted for 21 percent of Egypt's total exports to West Germany in 1989 (January-June); aluminum accounted for 50 percent of Bahrain's total exports; and foodstuffs accounted for 23 percent and apparel for 40 percent of Morocco's total exports. As for Tunisia, apparel accounts for about 67 percent of its total exports to West Germany. The important standing of Tunisian

and Moroccan apparel is attributed to the preferred status these two countries enjoy in exporting to EEC markets.

As for West German exports to the Arab world, they are dominated by semi-finished products, including minerals, chemicals, cement, construction material, electrical products and equipment, and transportation equipment. All these products put together represent 80 percent of total exports to the Arab world.

Raw materials comprise less than one percent of total exports while food and related products make up seven percent. The latter products are important with respect to certain countries like Djibouti (25 percent of its total imports from West Germany), Mauritania (48 percent), the Yeman Arab Republic (21 percent) and the Peoples Democratic Republic of Yeman (19 percent).

Transportation equipment represents 19 percent of West Germany's total exports to Saudi Arabia, followed by intermediate goods (17 percent), machinery (14 percent) and electrical equipment (13 percent). Exports to the other two major Arab markets, namely Egypt and Iraq, are dominated by machinery which represents 26 percent and 23 percent, respectively. Moroccan and Tunisian imports of German transportation equipment represent but a small percentage of these countries' total imports.

Statistics for Joint Ventures With Non-Saudi Firms

90AE0102B Jeddah ARAB NEWS
in English 23 May 90 p 3

[Article: "1,462 Joint Ventures With Arab and Other Countries"]

[Text]

Joint Saudi-Arab Industrial and Non-Industrial Projects Until Jan. 26, 1990

Country	Activity	No. of Projects	Authorized Capital (SR million)				Percentage		
			Saudi	Foreign	Others	Total	Saudi	Foreign	Others
North Yemen	Industrial	7	94.22	10.58	0.8	105.6	89.2	10	0.8
	Non-industrial	—	—	—	—	—	—	—	—
	Total	7	94.22	10.58	0.8	105.6	89.2	10	0.8
South Yemen	Industrial	4	14.07	15.43	—	29.5	48	25	—
	Non-industrial	—	—	—	—	—	—	—	—
	Total	4	14.07	15.43	—	29.5	48	52	—
Tunisia	Industrial	1	28.56	0.56	26.88	56	51	1	48
	Non-industrial	—	—	—	—	—	—	—	—
	Total	1	28.56	0.56	26.88	56	51	1	48
Morocco	Industrial	—	—	—	—	—	—	—	—
	Non-industrial	—	—	—	—	—	—	—	—
	Total	—	—	—	—	—	—	—	—

Joint Saudi-Arab Industrial and Non-Industrial Projects Until Jan. 26, 1990 (Continued)									
			Authorized Capital (SR million)				Percentage		
Sudan	Industrial	2	25.5	25.5	—	51	50	50	—
	Non-industrial	—	—	—	—	—	—	—	—
	Total	2	25.5	25.5	—	51	50	50	—
Algeria	Industrial	2	27.98	13.62	—	51.6	73.6	26.4	—
	Non-industrial	—	—	—	—	—	—	—	—
	Total	2	27.98	13.62	—	51.6	73.6	26.4	—
Palestine	Industrial	47	91.114	129.624	24.23	245.68	37.2	52.9	9.9
	Non-industrial	7	2.412	6.588	1.4	10.4	23.2	63.3	13.5
	Total	54	93.526	136.212	25.73	255.468	36.6	53.3	10.1
Syria	Industrial	30	118.776	81.971	8.12	208.687	57	39	4
	Non-industrial	13	25.119	14.426	10.45	50.75	50	29	21
	Total	43	143.975	96.217	18.57	258.762	55.6	37.2	7.2
Egypt	Industrial	5	36.59	16.27	5.13	57.99	63	27	9
	Non-industrial	9	227.415	156.885	5	389.3	58.4	40.3	1.3
	Total	14	264.005	173.155	10.13	447.29	59	38	2.3
Jordan	Industrial	58	515.828	474.016	31.941	1021.785	50.5	46.4	3.1
	Non-industrial	17	202.85	137.601	2.3	352.751	59	40	1
	Total	75	718.678	611.617	34.241	1364.536	52.7	44.8	2.5
Kuwait	Industrial	24	2215.075	112.245	110.22	3437.54	64.44	32.36	3.21
	Non-industrial	7	41.76	14.24	17	73	57.21	19.50	23.29
	Total	31	2256.835	1,126.485	127.22	3510.54	64.29	32.09	3.62
Bahrain	Industrial	7	1269.36	252.93	56.71	1579	80	16	4
	Non-industrial	—	—	—	—	—	—	—	—
	Total	7	1269.36	252.93	56.71	1579	80	16	4
U.A.E.	Industrial	11	277.88	162.85	51.8	492.52	56	33	11
	Non-industrial	8	63.67	63.63	0.69	127.99	49.75	49.71	54
	Total	19	341.55	226.48	52.49	620.51	55	37	8
Qatar	Industrial	2	62.6	15.9	39.5	118	53.05	13.47	33.49
	Non-industrial	1	3.06	2.94	—	6	51	49	—
	Total	3	65.66	18.84	39.5	124	52.95	15.2	31.85
Oman	Industrial	1	53	4	45	102	52	4	44
	Non-industrial	—	—	—	—	—	—	—	—
	Total	1	53	4	45	102	52	4	44
Iraq	Industrial	4	33.91	11.49	18.8	64.2	52.81	17.89	29.3
	Non-industrial	—	—	—	—	—	—	—	—
	Total	4	33.91	11.49	18.8	64.2	52.81	17.89	29.3
Somalia	Industrial	—	—	—	—	—	—	—	—
	Non-industrial	1	2.193	2.107	—	4.3	51	49	—
	Total	1	—	—	—	—	—	—	—

Joint Saudi-Arab Industrial and Non-Industrial Projects Until Jan. 26, 1990 (Continued)

			Authorized Capital (SR million)				Percentage		
Lebanon	Industrial	88	1,467.483	807.339	179.194	2,454.016	59.8	32.9	7.3
	Non-industrial	73	386.495	150.515	139.91	679.92	57	22.3	20.7
	Total	191	1,853.978	957.854	319.104	3,130.936	59.2	30.6	10
Turkey	Industrial	5	126.51	51.24	—	177.75	71	29	—
	Non-industrial	21	46.22	49.73	1.25	97.2	47.6	51.5	1.3
	Total	26	172.73	100.97	1.25	274.95	62.8	36.7	0.5
Panama	Industrial	4	4,291.2	4,229.9	—	8,521.1	50.4	49.6	—
	Non-industrial	22	28.244	21.881	1.1	61.225	46	52	2
	Total	26	4,319.444	4,261.781	1.1	8,582.3	50.2	49.6	1
Bermuda	Industrial	9	1,225.7	1,312.9	4.8	2,643.4	50.2	49.7	3.5
	Non-industrial	19	19,346	17,944	1.36	38.7	50	46.5	0.2
	Total	28	1,345.045	1,330.894	6.16	2,682.1	50.3	49.6	—
Pakistan	Industrial	6	51.708	20.427	4.08	67.215	68	26.8	5.2
	Non-industrial	11	199.98	65.02	75	340	59	19	22
	Total	17	251.688	85.447	79.08	416.215	60.5	20.5	19
Japan	Industrial	8	1,243.65	1,306.61	9.8	2,260.06	50.5	49.1	0.4
	Non-industrial	32	73.026	75.234	3.82	152.13	48	49.5	2.5
	Total	40	1,416.676	1,381.844	13.76	2,812.19	50.4	49.1	5
Korea	Industrial	7	1,475.73	326.2	8.7	1,810.63	81.5	18	0.5
	Non-industrial	39	104.95	113.55	—	218.5	48	52	—
	Total	46	1,580.68	439.75	8.7	2,029.13	78	21.6	0.4
Sweden	Industrial	8	104.17	65.41	11.72	181.3	57.5	36	6.5
	Non-industrial	16	22.06	22.64	0.3	45	49	50.3	0.7
	Total	24	126.23	88.05	12.02	226.3	55.8	38.9	5.3
Italy	Industrial	12	841.39	237.3	124.688	1,203.337	70	20	10
	Non-industrial	33	55.49	70.81	3	129.3	42.9	54.8	2.3
	Total	45	896.88	208.11	127.688	1,337.68	67	10.23	10
Germany	Industrial	28	4,419.757	495.943	13.43	4,929.13	89.7	47.5	0.3
	Non-industrial	55	109.265	100.555	2.85	212.77	51	11.6	1.5
	Total	83	4,529.122	596.498	16.28	514.9	88	38.5	0.4
Switzerland	Industrial	37	975.966	631.648	32.49	1,640.14	59.5	44	2
	Non-industrial	35	67.04	55.71	2.5	125.25	54	39	2
	Total	72	1,043.00	687.394	34.99	1,765.39	59	—	2
France	Industrial	20	480.525	251.589	212.4	944.514	50.9	26.6	22.5
	Non-industrial	44	293.972	220.098	1.58	515.65	57	42.7	0.3
	Total	64	774.497	471.687	213.98	1,460.164	52	32.2	14.7
Holland	Industrial	16	348.864	257.001	2.83	609.695	57.2	42.1	0.7
	Non-industrial	30	113.935	100.642	2.472	217.05	52	46	2
	Total	46	468.769	358.873	7.303	834.845	56	43	1

Joint Saudi-Arab Industrial and Non-Industrial Projects Until Jan. 26, 1990 (Continued)

			Authorized Capital (SR million)				Percentage		
Britain	Industrial	36	730.41	396.228	46.502	1173.14	62	34	4
	Non-industrial	91	563.229	351.991	3.83	919.05	61.2	38.3	0.5
	Total	127	1,293.639	748.219	50.332	2,092.19	61.8	35.8	2.4
USA	Industrial	62	3,819.364	4,850.551	237.922	10,907.85	53.4	44.4	2.2
	Non-industrial	124	715.121	981.024	5.665	1,401.81	51	48.6	0.4
	Total	186	6,534.485	5,831.575	243.597	12,309.66	53	45	—

Riyadh Bureau—Riyadh, May 22—There were 1,462 industrial and non-industrial joint projects between Saudi Arabia and other countries by the end of January, according to figures released by the Ministry of Industry and Electricity. Total capital invested in these projects amounted to SR59.7 billion. Non-Arab countries are headed by the United States, followed by Panama and West Germany. The reason for the high position of Panama is that many multinational companies are registered there because of the liberal business regulations and tax exemptions. Kuwait is the largest Arab investor in the 430 joint Arab projects in the Kingdom.

The table outlines the country, the number of projects, the amount of investment capital and the percentage of ownership by nationality.

Article Analyzes Trade Barriers Between GCC States

90AE0102A Jeddah ARAB NEWS
in English 22 May 90 p 2

[Article: "Uniform GCC Trade Regulations Stressed"]

[Text] Jeddah, May 21—The joint economic agreement signed nine years ago by member states of the Gulf Cooperation Council [GCC] to achieve economic integration among the six countries stands as the most effective economic accord ever reached by group of Arab states. However, the agreement is not free from problems that if left unresolved could affect the flow of trade among the six signatories.

Despite the practical steps taken by the Gulf states to build a firm economic base that would make them stand in the face of newly emerging international economic entities, some problems have emerged as a result of conflicting regulations and procedures enforced by each member state which led to the slowing down trade movement.

To what extent are these obstacles going to affect the six countries' progress toward total integration? 'Abdallah al-Quwayz, GCC assistant secretary-general for economic affairs, answers by stating that what is taking place at present is a natural phenomenon that testifies to the practicability of the agreement, because if there had been no positive response and no trade exchange these problems would not have been encountered. The volume of trade exchange among the six Gulf states have jumped from a mere three percent before the signing of the agreement to 11 percent after the agreement came into effect. If compared to those experienced by the European Community, problems facing the GCC countries can be regarded as comparatively insignificant, he said.

Obstacles in the face of free movement of goods and investors usually take the form of protectionist measures. An example is the complaint filed by a number of Saudi companies with the Riyadh Chamber of Commerce and Industry citing the complicated procedures

and formalities they face in a number of Gulf states when they seek to open trade offices in these countries. This occurs despite the fact that the joint agreement encourages the opening of such offices. The resulting frustration has led these companies to drop the idea all together and resort to doing business through agencies; the same practice followed by foreign companies in the region.

Another type of problem facing free trade among the GCC countries is the question of tariffs and restrictions on the entry of imported goods, contrary to what the joint agreement says. Some countries insist on implementing the quota system regarding their import of goods produced by other GCC members, citing an article in the joint agreement which exempts member states in exceptional cases from implementing certain provisions. The article in question is meant to achieve an even growth for member states, according to the prevailing conditions of each country, until an acceptable formula for tariffs and customs is reached to enable GCC states to face the increasing flow of foreign goods.

The enforcement of regulations governing the issuing of certificates of origin and the definition of the value-added tax on industrial products has led to many difficulties. Officials argue whether re-exported goods coming from one GCC state should be included in the value added tax system. Apart from the disparity in the tariffs and custom duties levied by the GCC states, which in some cases would be up to 25 percent, there is a host of other obstacles, including refusal to allow the entry of trucks driven by different nationals than those of the Gulf states, delays in issuing entry visas and refusal to issue multiple visas, delays in issuing the required health certificates, refusal by some states to allow trucks with loads exceeding 25 tons to enter their territory, delays in unloading goods which result in damages being caused to the consignment, variations on the time required for the expiry of consumer goods (some countries demand one year while others want the period to be 18 months) in addition to the differences in specifications of many goods.

Taking Saudi Arabia and the United Arab Emirates [UAE] as examples we find that the main cause of such problems relates to UAE-manufactured products from one hand and its re-exported goods entering Saudi Arabia on the other. Of all GCC countries, the UAE is the largest trade partner of the Kingdom with its exports to Saudi Arabia constituting 46 percent of the Kingdom's total imports from GCC countries, according to 1989 figures. Saudi exports to the UAE in the same period were put at 29 percent of the total exports to other GCC countries.

Last month a meeting was held in Riyadh between Saudi and UAE officials of the joint industrial committee to discuss obstacles affecting the smooth flow of bilateral trade. The committee reviewed the cases of 12 factories whose products have been barred from entering the Kingdom. A visit to the UAE by members of a committee from GCC secretariat general resulted in lifting the ban imposed on the products of eight factories. UAE industry officials say the ban on the remaining factories will be lifted following further meetings between the two sides.

UAE officials say the issue at the center of differences is determining the components of the value added tax on industrial goods. The issue is sensitive because the issuing of the certificate of origin depends on fixing this value. For UAE products to qualify to enjoy tax exemptions defined in the joint trade agreement the value should not be less than 40 percent.

Saudi authorities have been refusing to endorse many of the certificates of origin issued in the UAE because they relate to industries not included in the GCC secretariat general directory covering transforming industries. While UAE officials say the directory only serves as a guideline and is not a commitment by member states and that the certificates of origin issued by the ministries of finance in member states should constitute the basis, Saudi businessmen complain that many of the UAE products are not one wholly made in that country and are thus they are goods of foreign origin. Although the problem, has been partly resolved by issuing supplement directories, UAE officials still complain that Saudi and Omani customs officials sometimes refuse to endorse their certificates of origin.

There are also difference regarding specifications, as Saudi authorities insist on taking samples of any consignment to conduct the necessary checks before the shipment is released so as to ensure that it conforms with Saudi standards and specifications.

UAE sources say this matter is complicated since no agreement has been reached so far on unified specifications for all goods and that the unified Gulf specifications cover no more than 84 items up to now. One additional obstacle is that Saudi authorities demand the production and expiry date to goods be written in the Hirah calendar, a condition UAE officials say would

entail technical difficulties, although Saudi Arabia is entitled to demand such an arrangement.

As for re-exported products, Saudi officials are demanding that they should be supported by the original bills issued by the country of origin after noting that such products usually carry very high price tags compared to the prices at which the GCC states buy the same products. Keen on protecting the interests of their importers, the Saudis told their UAE counterparts that knowing the actual price of the re-exported goods will enable custom officials to easily calculate custom duties, thus lessening the need to resort to random estimations.

Interviewed on the problems facing the implementation of the joint economic agreement, Dr Sa'd al-Sayyari, member of the industrial committee of Riyadh Chamber of Commerce and Industry, spoke of the urgent need to open coordination and liaison offices in GCC member states to facilitate contact and coordination and simplify arrangements for businessmen traveling to other countries. He argued that even if there are difference regarding the certificates of origin the goods should not be kept waiting at the borders but should be allowed in and the matter then be referred to the GCC secretariat general to take the appropriate action and prevent a recurrence of similar incidents.

Sa'd al-Mijil, a member of the same committee said UAE officials want to make the free industrial zone in Jabal 'Ali the Hong Kong of the Middle East and it seemed they have succeeded in achieving this to a large extent. Citing the many facilities available in Jabal 'Ali which drew investors from all over the world, including the Indian subcontinent, Iran, West Europe, Africa and even East Europe, al-Mijil said UAE officials in Jabal 'Ali tend to avoid implementing a number of provisions of the joint agreement whenever they see in them an obstacle to the facilities they grant to investors.

'Abdallah al-Ma'alami, chairman of al-'Ulayan Group in the Eastern Province, agreed that the free zone will have a direct effect on trade in the Saudi market, specially in the field of re-exported goods of which the Gulf market produces less than 50 percent of the total production. Despite the lucrative facilities provided by Saudi Arabia including loans, which in some cases accounts for 50 percent of the value of the proposed project, Jabal 'Ali free zone enjoys an atmosphere conducive to investment thanks to the overall relaxed mood of investment, efficient and quick finalization of formalities and the availability of a trained labor force and adequate facilities and installations. The real threat comes from the use of Jabal 'Ali as a transit station for foreign industries disguised as Gulf products, thus benefiting from the facilities contained in the joint economic agreement, he said.

EGYPT

Butrus Ghali Discusses Socialist Internationale

90AA0159A Cairo AL-AHRAM AL-DUWALI
in Arabic 22 May 90 p 3

[Interview with Butrus Ghali by Angie Rushdi: "Egypt Working To Raise Third World Voice in Socialist Countries"; first two paragraphs are AL-AHRAM AL-DUWALI introduction; in Cairo, date not specified]

[Text] President Husni Mubarak today will open the Socialist Internationale Conference which is being held in a Third World country for the first time.

In an interview with AL-AHRAM, Dr. Butrus Ghali, minister of state for foreign affairs, explains the importance of this conference and the Socialist Internationale concept, which is different from scientific—Marxist—socialism. Dr. Ghali says that it is important to know what Socialist Internationale is all about because many people are wondering how we can be interested in it at a time when socialist regimes are falling in certain parts of the world.

[Rushdi] Why is Cairo interested in hosting the meeting of the general council of Socialist Internationale at this stage in particular when socialism is fading and regimes based on socialist application are regressing?

[Ghali] Public opinion may be posing such questions, but I believe that they can be easily answered. The regimes that are now going through regression are those based on Marxist theory or those that adopted what used to be known as scientific socialism, while Socialist Internationale is a body that includes social democratic parties which are an extension of the Second Internationale created in 1889 toward the end of the last century. It is a known fact that democratic socialism is an ideology that combines the values of equitable distribution with those of liberties and political participation. In other words, it is the middle-of-the-road ideology that does not embrace the centralized economic system and public ownership in its absolute form, nor does it fully embrace the free economy system and market and private ownership laws. Rather, it combines the advantages of the two systems and this will remain one of the important options and successful experiments followed by various countries of the world, be it in the East, West, North, or South, now and in the future.

[Rushdi] Are we to understand from your reply that you expect the concept of democratic socialism to gain popularity in the future?

[Ghali] I believe that the concept of democratic socialism ultimately will be the likely alternative for countries that used to embrace Marxist applications in East Europe. Furthermore, West European communities used to be ruled by social democratic parties that won a parliamentary majority in elections. It is still possible for them to win a parliamentary majority in any upcoming

general elections that could once again propel them to power in the future. There is no doubt that democratic socialism is the bridge that links East Europe to West Europe, or is the ideology that may contribute more than anything else to the realization of the European family, which has become a goal close to the heart of all European peoples as the major common denominator between the various values of the right and left in the European continent today.

[Rushdi] Why did Egypt recently join Socialist Internationale through the National Democratic Party [NDP]?

[Ghali] The NDP's association with this important international forum is bound to reap multiple benefits for Egypt. It opens one more channel of communication with social democratic parties that carry much weight in their countries, such as the ruling French Socialist Party, the ruling Social Democratic Party in Spain, the German Social Democratic Party that plays an important role in political life in West Germany, the Greek BASOK Party, or the Portuguese Socialist Party. It is no secret that these parties support the PLO and are sympathetic to the Palestinian people's cause. They also submit resolutions supporting the Palestinian cause in the Middle East Committee, a chief Socialist Internationale committee capable of applying considerable pressure on the Israeli Labor Party and the Mapam Party, members in the Socialist Internationale, through partisan diplomacy which is now playing a role no less important than official diplomacy.

[Rushdi] What positive role can Socialist Internationale play for the benefit of Third World nations?

[Ghali] Given the small number of Third World parties that are members in Socialist Internationale, there is no doubt that Socialist Internationale remains one of the forums of the West. Egypt is currently trying to encourage a number of Arab and African parties to join Socialist Internationale so that the Third World voice may be heard in this international body comprised mostly of parties from the West or the North. Any international affairs' observer can apparently notice that, under East-West detente, Socialist Internationale is gaining importance as a strong organization able to play a role in realizing rapprochement between the North and South and in reviving the desired dialogue between rich and poor nations. In particular, they can note that Willy Brandt, the president of Socialist Internationale and one of its spiritual fathers, has put forth important initiatives that preach mutual dependence and greater cooperation between the countries of the advanced West and those of the developing Third World as a successful way to ease the economic crisis and the foreign debt problem threatening the future of the South. Now that the entire human race is but a large village facing the same fate, this crisis and this problem will inevitably have a negative impact on the North in the medium or the long term.

Industry Minister Discusses Private, Public Sectors

90AA0175A Cairo AL-AHRAM AL-IQTISADI
in Arabic 21 May 90 pp 22-23

[Article by Shahirah al-Rafi'i]

[Text] The fact that views differ over the question of selling the public sector might not be something new, nor might it be something new that controversy should break out between proponents of the public sectors and those of the private sector, with each side trying to defend its own views. But what's new this time is the argument that took place between a chairman of a public sector bank and a business woman from the private sector at a general meeting on this question. What's new in this is that both sides have no say in decisionmaking, that their discussion at the meeting to which they were invited was not public, and that neither party met the other before the discussion of the question of public and private sectors began. In fact, the discussion ended without either side knowing the name or the job of the other. Still, the argument between them became so heated that the bank chairman announced his withdrawal from the meeting in protest against what the business woman said—that those working in the public sector are not working in Egypt's interest.

This was at the beginning of the meeting between the Minister of Industry, Engineer Muhammad 'Abd-al-Wahhab, with members of the Arab-German Chamber of Commerce. But despite this, and because it was a side argument, the meeting lasted for two hours. It was conducted quietly and objectively. Although the Minister of Industry's speech was about "the Ministry of Industry's policy in general and on the industrial public sector in particular and its achievements and future objectives," everybody expected—and perhaps many came to the meeting specifically—to know the answer.

The minister said in his statement that the government's policy regarding the public sector is first and foremost to make it independent and to liberalize its management. There is no intention at present for the public sector to enter into new investments; the trend is to encourage the private sector to do so. In this regard, the minister said: We have pursued a new policy. Instead of defining the fields in which the public sector is allowed to operate, we have prepared several lists containing only the projects that the private sector will be banned from carrying out in the future.

The minister said that this new list is not yet complete, but he explained some of its outlines. For example, some of the projects that are banned to the private sector are those including high energy-consumption goods, such as air conditioners, and high energy-consumption materials used in manufacturing. Finally the list will include the assembling industry, where it will be stipulated that goods should contain a certain percentage of locally-manufactured components so that the industry will not become a backdoor for imports.

These statements did not answer all the questions that were brought up at the meeting. The discussion began between the Minister of Industry and businessmen members of the Arab-German Chamber of Commerce regarding the questions of intensifying competition in the market and the earlier policy of protectionism. The minister said: At present we are looking for quality, but this does not eliminate the maintainance of the policy of protectionism while ensuring that this policy is not abused and that it will not adversely affect the quality of products. In another question or comment on the common problems facing the public and private sectors, it was pointed out that the basic problem lies in the investment climate. The question then is how far does this climate affect the process of allocations.

Engineer Muhammad 'Abd-al-Wahhab said we should differentiate between the various types of public funds. First, there are projects of localities. No attention has been paid to these projects, according to the minister, despite the fact that they are public funds, on the grounds that they belong to the public sector. They will totally be transferred to the private sector. As for the second type of public funds, they belong to joint projects. The public sector's share in these projects will be offered to the private sector. The third type of public funds is that included in projects operating under Law Number 97. The private sector funds for this type of project will be increased gradually. Finally, there are those companies in which public funds constitute 100 percent. This type of company comes last in relation to the allocation process. As for common problems facing the public and private sectors and the effect of the investment climate, the minister said: We have a problem in the administration; it is neither a public sector problem nor a private sector problem. It is an Egyptian problem!

Regarding the question of ending subsidies to the industrial companies and the effect of this on price increases, the minister of industry said that the industrial companies today deal with economic rates. As for subsidized products, this takes place at the level of the distribution outlets and not at the Ministry of Industries. Answering a question on the policy of removing some goods from the list of prohibited imports, Engineer Muhammad 'Abd-al-Wahhab said: Our policy in removing goods from this list is based on three principal considerations. First, the volume of local production, second its quality, and finally its price.

Text of Court Ruling on Assembly Unconstitutionality

90AA0158A Cairo AL-AKHBAR in Arabic
20 May 90 p 3

[Article: "Text of the Court's Statement Declaring the People's Assembly Act Unconstitutional; Principle of Equal Opportunity Unrealized by Elections Law Which Violated Constitution by Discriminating Among Citizens in Freedom and Public Rights"]

[Text] The court ruled that Article 5.A. of Law Number 38 for 1972, the People's Assembly Act, as amended by Law Number 188 for 1986, is unconstitutional. The aforementioned Article 5.A. had stipulated that each district would be represented in the People's Assembly by one member, who would run for an assembly seat as an independent candidate, and by others who would be elected by voters casting their ballots for a political party's list of candidates.

The court cited [the following] considerations for its ruling that the law was unconstitutional:

Prohibiting Discrimination

Article 40 of the constitution prohibited discrimination among citizens because of sex, origin, language, religion, or belief. In prohibiting discrimination, the constitution mentioned these reasons in particular because they are the most common reasons for discrimination. This is supported by the fact that other reasons for discriminating among citizens, which are not spelled out in the aforementioned article, are not less important than those mentioned by the article. Discriminating among citizens in the areas of freedom and public rights, which are guaranteed by the constitution, for reasons that have to do with one's birth, social status, class affiliation, class bias, or one's political or nonpolitical opinions, has grave consequences. That is why all the different kinds of discrimination, which essentially contradict the principle of equality and threaten the foundation on which that principle stands, must be subjected to the judicial control of this court so that universal observation of the principle of equality can be guaranteed.

The Right To Vote

Whereas Article 62 of the constitution, as well as the section on "Freedom and General Rights," stipulated that citizens have the right to vote, to run for office, to express their opinions in referenda in accordance with the provisions of the law, and to participate in public life, which is their national duty, the implication is that the political rights provided for in this article, including the right to run for public office, which is clearly stipulated in the constitution, the right to vote, and the right to express an opinion in referenda, are considered by the constitution to be public rights. The constitution guaranteed those rights and made it possible for citizens to exercise them to ensure their participation in choosing their leaders and representatives who will be steering the helm of power and watching over the interests of the community. The constitution guarantees those rights based on the fact that the right to vote and the right to run for office are complementary; that no parliamentary life can exist without either one of them; and that the full implications of the people's sovereignty are not realized if these rights are not exercised seriously and effectively and if they are stripped of their essence. Therefore, the right to vote and the right to run for office are essential and inevitable requirements for a constitutionally determined democracy. They are required to ensure that

parliamentary councils are true manifestations and expressions of the people's wishes.

Regulating Elections

Even though Article 62 of the constitution permitted ordinary legislators to regulate the three political rights, which citizens may exercise in accordance with the provisions of said article, legislators must bear in mind that in devising these regulations they do not hinder or diminish any said rights. None of these regulations should be discriminatory, since discrimination is prohibited by the constitution, and none should contradict the principle of equal opportunity which is guaranteed by the state to all citizens in comparable legal positions. In general, none of the rules which regulate these rights should contradict any constitutional provision. Rules and provisions which are enacted to regulate the elections process must be compatible with the constitution.

Contradictory Legislation

Article Five of the constitution, which was amended on 22 May 1980, stipulated that the political system in the Arab Republic of Egypt become a multiparty system wherein political parties may operate within the guidelines set forth by the constitution and stipulated by the fundamentals and main principles of Egyptian society. This constitutional amendment was intended to turn the country away from its one and only popular organization, the Arab Socialist Union, which unilaterally dominated and controlled the various areas of national action in the country and thwarted the achievement of democratic practices that were consistent with the true nature of democracy. This constitutional amendment was intended to turn the country toward a multiparty system on whose bases the political system in the country would be built, since the basic aim of having multiple parties is to strengthen democracy and build its foundation on the right to vote and the right to run for office: the two rights which pave the way to democracy and serve as its underlying foundation. Therefore, the constitution guaranteed these two rights to all citizens who generally believe in the people's sovereignty and who exercise those rights in accordance with the constitution.

Conflicting Opinions

The best evidence of that lies in the fact that a multiparty system is one in which opinions can be contradicted, agreed with, opposed, or streamlined. Whatever these opinions are, the national interest remains the framework under which they are expressed and evaluated. The national interest is the standard under which activities by these political parties are controlled. People act collectively to guard this national interest, and that determines their choices of political leaders and national affiliations. It follows, therefore, that according to the constitution, a multiparty system is not a device by means of which domination by one party can be replaced by the domination of another. Instead, the constitution viewed a multiparty system as the proper vehicle by

which contradictory opinions may be expressed in a democratic dialogue that is part of the national action process. In such a system political parties play a role that, in the final analysis, is tied to voters' wishes, as these wishes are expressed by various voters' associations and manifested by the parliamentary representatives they freely elected. Voters' wishes manifest themselves when voters use their clout and their vote to support candidates competing with each other for parliamentary seats.

The importance of voters' wishes is affirmed and unequivocally stipulated by the constitution in those articles which guarantee citizens their right to vote and run for office. The constitution did not permit any discrimination among people exercising these two rights, and it did not decree that some citizens be preferred over others in anything that has to do with exercising these rights. Regardless of their political affiliations and political opinions, citizens who meet the required conditions for exercising these rights may do so under the constitution. Citizens were guaranteed these rights to ensure that national action remain a collective proposition in which no citizen would be preferred over another.

No Discrimination Among Citizens

Political parties are working closely together to build national action. They are working with nonmembers to lay down the foundations of this national action, thereby defining the true meaning of Article Three of the constitution, which gives no popular group supremacy over another and does not prescribe that one group dominate another. The value of a multiparty system lies within those guidelines which provide a constitutional approach to strengthening the notion of democracy. Under those guidelines, the role played by political parties in national action may not go beyond the boundaries of the confidence given by voters to these parties' candidates who compete with others to win that confidence in accordance with objective principles that are free from ideological restraints and unfettered by political affiliations of any kind. All citizens who meet the required conditions to run for office must have the same, equal opportunities to exercise their influence in formulating national policy and defining its ultimate characteristics.

In stipulating that the country have a multiparty system, Article Five of the constitution confirmed the principle of equal opportunity by not requiring citizens to join political parties and by not restricting their ability to exercise the political rights provided for them by Article 62 of the constitution. This essentially means that citizens are free to join or not to join political parties. It means that citizens are free to exercise those aforementioned political rights as members or nonmembers of political parties. Article 62 of the constitution guaranteed those rights to those who meet the requirements of citizenship, but it did not require citizens to join political parties. This is corroborated by the fact that Article Five of the constitution stipulated that a multiparty system become the foundation of the country's political

system, and it required that multiparty system to operate within the guidelines of the main elements and principles of Egyptian society. There is no doubt that the two principles of equal opportunity and equality under the law—and these principles are two of the main elements and principles we are referring to in this regard—require that all candidates receive the same legal treatment based on equal opportunity for all. These two principles require that there be no discrimination based on partisanship, which, in this case, would be based on differences in political opinions. Such discrimination is prohibited by the constitution.

The Principles of the Constitution

Whereas legislators can exercise their discretion in selecting an electoral system, their discretion does not allow them to go beyond the restrictions, controls, and principles set forth by the constitution. Legislators may not infringe upon people's freedom and upon the public rights guaranteed to people by the constitution.

Taken together, Paragraph One, Article Three of Law Number 38 for 1972 and Paragraph A, Article Five of the same law, the People's Assembly Act, as amended by Law Number 199 for 1986, indicate that legislators had determined that the country be divided into 48 electoral districts and that members of the People's Assembly would be determined by voters voting for lists of the political parties' candidates and for independent candidates whose names do not appear on such lists. The law determined the number of parliamentary seats for each electoral district. All seats in a given district would be held by candidates of political parties, but only one seat would be held by an independent candidate. But since independent candidates have to compete with each other and also with political party candidates for that one seat, the law violated the constitution in several aspects.

The law determined the number of parliamentary seats in each electoral district which were to be held by political party candidates. In some districts the number of those seats came to 13. At the same time, the one seat in each electoral district that was designated for independent candidates was not limited to those candidates who ran independently of political parties. Instead, other candidates, including those who are members of political parties were allowed to compete for that seat. Thus, the law discriminated between two groups of citizens by determining the number of parliamentary seats which were to be held by political party candidates. While the number of those seats represented almost nine-tenths of the total number of seats nationwide, the number of seats available to independent candidates who are not affiliated with political parties and who compete for those seats was slightly more than one-tenth of the total number of parliamentary seats. In fact, parliamentary seats are distributed in a manner that gives members of political parties opportunities to occupy all the seats in the People's Assembly. At the same time independent candidates can occupy no more than one-tenth of the number of seats in parliament.

This means that one group of candidates, because of its partisan or nonpartisan character, would have an advantage over another group. It means that the nature of the right to run for office or the requirements for holding that office are not given due consideration. This is incompatible with the representative nature of parliamentary councils, and it violates Article 40 of the constitution which prohibited discrimination among citizens in matters of freedom and public rights. It is also incompatible with the principle of equal opportunity which requires that all candidates, regardless of their affiliation with political parties, have an equal opportunity to be elected.

The Number of Seats

Furthermore, in determining the number of parliamentary seats for each electoral district, the law employed the general principle of the number of residents in each district to determine a different number of seats for each electoral district. An explanatory note to Law Number 114 for 1983, amending the People's Assembly Act, made this clear. Legislators exempted [certain] governorates from this rule for reasons mentioned in said explanatory note. Whatever one thinks about this exemption, the law determined that, regardless of the number of citizens in a given district, one seat in each electoral district would be held by an independent candidate and the remaining seats in that district would be held by candidates whose names had appeared on political parties' lists. Assuming other governorates abide by this rule, the law made discrepancies in the number of residents the basis for determining the number of parliamentary seats which would be held by political party candidates. But the law did not use the same criterion to determine the number of parliamentary seats which were to be assigned to independent candidates, who still have to compete for that one seat with other candidates who can also be members of political parties. Legislators arbitrarily made that determination in each electoral district regardless of the number of residents in that district. They thus violated, for no objective reason, the general rule which they followed in determining the number of parliamentary seats for each electoral district and in seeing to it that the number of those seats would be commensurate with the number of people residing in that district.

This violates the principle of equal treatment for the two groups of candidates. In addition, when the law allowed candidates who are members of political parties to compete for the single seat in each electoral district that is assigned to independent candidates who are not members of political parties, it gave each candidate of a political party two chances to win a seat in the People's Assembly: one chance by running as a political party candidate and another one by running as an independent. At the same time independent candidates have only one chance to win a seat in parliament, and even then they have to compete for that seat with political party candidates. This practice is discriminatory because members of each group do not have equal opportunities

to be elected to the People's Assembly. Accordingly, this general rule, for which no objective justification attributable to the nature of the right to run for office or the requirements for holding office exists, contradicts the principle of equal opportunity which is stipulated by the constitution. When the right to run for office is properly exercised, and the requirements for holding office are properly met, equal opportunity and equality under the law are achieved.

The Laws Are Sound

The appellant [in this case] has indicated that since parliamentary elections violated the constitution and formed a People's Assembly that is invalid, it follows that all laws and decrees passed by said assembly are unconstitutional. Since this represents the threat of a total constitutional breakdown in the country, it behooves the court to declare its decision on this matter and to make the legal points in this matter clear. The court, acting in its capacity as the supreme judicial authority established by the constitution to carry out its mission faithfully, is to make its decision known so that the constitution and its provisions can be protected and upheld. The court is the only institution entrusted by law with the authority to make legal decisions in all disputes having to do with the enforcement and execution of its judgments and decisions.

Retroactivity

Whereas rulings issued by the court are supposed to illuminate rather than institute law, such rulings introduce nothing new and establish no positions or conditions which did not already exist. Court rulings shed light on constitutional or statutory provisions in disputes that are pending in the courts. They do so by providing the proper interpretation which these provisions should have been given since their inception. It follows, therefore, that retroactivity is the inescapable consequence of the illuminating nature of a court ruling. If the court shows that a legislative provision which was challenged is compatible with the constitution, the constitutionality of that provision in form and substance since its inception is upheld, and enforcement of that provision continues. But if that law turns out to be unconstitutional, it is stripped of its legal attributes and the effect of that is retroactive.

Furthermore, in allowing the constitutionality of a law to be spontaneously questioned or challenged by one of the litigants in a case that was pending in a court of law, the Supreme constitutional Court Act required a court of law to stop court proceedings when the constitutionality of a law is challenged, or to postpone those proceedings until the Supreme constitutional Court settles the matter

which was raised. In doing so legislators were seeking to benefit litigants who used the constitutional defense in objective disputes, all of which have to do with relationships and conditions which essentially antedate the ruling of unconstitutionality. The benefit to litigants would materialize when and if the point in question is deemed unconstitutional. Thus, if such a ruling were not retroactive, the judge in the case, who postponed enforcement of the law when he questioned its constitutionality, would have to enforce that law after it was declared unconstitutional. Such legal logic is unacceptable; it is inconsistent with the purpose of arguing that a certain law is unconstitutional; and it yields no practical benefit to the party who presented that argument. Thus, the right to litigate, which is a public right guaranteed to all people by Article 68 of the constitution, becomes useless and meaningless as far as constitutional questions are concerned. Legislators, therefore, must be warned against falling into that trap.

In addition, Article 49 of the Supreme constitutional Court Act stipulates that a legal provision which was found to be unconstitutional may not be enforced as of the day following the publication of the said ruling. This is a legislative message addressed to all state authorities and to all people so they would act accordingly. Since the judge in the case in question is one of those to whom this legislative message is addressed, he must not, in accordance with this provision, enforce the law which was deemed unconstitutional on disputes which had been presented to him. Thus the legislator's intent to make retroactive a ruling that a legal provision is unconstitutional is confirmed, and the notion that the said ruling applies to previous relations and conditions which developed under the law that was deemed unconstitutional is supported.

Article 49 of the Supreme constitutional Court Act applied this principle of retroactivity categorically to the provisions of the criminal code. It went so far as to invalidate convictions which have to do with matters infringing upon personal freedoms. Article 49 stipulated that "if the court rules that a criminal provision is unconstitutional," convictions that were based on that criminal provision become null and void. The principle of retroactivity applies in other noncriminal matters, as indicated in the foregoing, unless preceding relationships and conditions have another legal basis limiting the application of retroactivity.

This was made clear by the explanatory note to the Supreme constitutional Court Act in its commentary on Article 49 of the constitution. The note stated that "the law dealt with the effect of a court ruling that a legal or statutory provision was unconstitutional by stipulating that the said legal or statutory provision may not be enforced as of the day following publication of the said court ruling." Jurisprudence and the courts agree that such a provision, which can be found in comparable laws, means not only that such a provision may not be enforced in the future, but it also means that the said legal provision is unconstitutional as it applies to facts

and relations which existed before that provision was declared unconstitutional. The principle of retroactivity, however, does not apply to rights and positions which were established by fiat or the passage of time. If, however, the legal provision that is deemed unconstitutional has to do with a criminal provision, all convictions based on that provision become null and void even if they were peremptory and final.

This is consistent with the ruling issued by this court on 5 June 1982 in constitutional Case Number 16 for the third judicial year, and it is also consistent with the ruling issued on 11 June 1983 in constitutional Case Number 48 for the third judicial year.

Wherefore, since elections for the People's Assembly were held on the basis of a legislative provision which the court found to be unconstitutional when it ruled in the pending case, the inevitable implication of the court's ruling is that the aforementioned assembly is and has been invalid since its members were elected. It does not follow, however, that such an invalid assembly, as alleged by the appellant, will lead to a constitutional breakdown. Nor does it follow that all laws and decrees enacted by the assembly and all measures taken by it during the previous period and until the date the court ruling was published in AL-JARIDAH AL-RASMIYAH [The Official Gazette] should become null and void. Instead, these laws, decrees, and measures remain as valid as they were at their inception. Therefore, they remain in effect unless they are abrogated or amended by a constitutionally authorized body or unless the Supreme constitutional Court determines, based on the provisions of these laws, decrees, and measures or on some other basis, that they are unconstitutional.

Referendum on Dissolving People's Assembly Sought

90AA0187B Cairo AKHIR SA'AH
in Arabic 23 May 90 p 54

[Article: "Referendum on Dissolution Is the Solution"]

[Text] The Constitutional High Court has ruled that Section 5a of the People's Assembly Act is unconstitutional; that the unconstitutionality of a law goes back to the date of its passage; that the composition of the assembly has been invalid since its election; and that any laws the current assembly approves or steps and measures it takes until the date this decision is published in the official gazette remain with their original validity. In all truth, this decision can be considered a reason to be proud of Egypt's freedom, democracy, and respect for judicial decisions. Certainly, such a court, with the guarantees contained in its regulating law, exists to prevent the slightest uneasiness or doubt about the laws the government promulgates and the legislature approves. In other words, it exists to render judgment about the validity of laws and the extent to which they are constitutional, i.e., whether or not they conform to

the constitution. All this is a proud testimonial to the fact that democracy in Egypt is a reality being practiced at all levels.

Parallel to the issuance of the decision, it was widely rumored that the government, with the agreement of the current People's Assembly, intended to shrink the court's powers. The rumor was false and completely at variance with reality. Neither the government nor the People's Assembly—no one, no power—has ever considered doing so. It was only a feverish rumor with no closeness to reality or truth. The court will remain. The court has its regulating law, which will not be changed in any way or under any circumstances. Apart from the arguments for dissolving the current People's Assembly or continuing it as is, there is one fact that must not be lost sight of by anyone who speaks about this issue that now engages Egyptian public opinion: a referendum on dissolving the People's Assembly must be called, and its results must be implemented. This must be accompanied by two presidential decrees: one promulgating a new election law under which elections will be held, and secondly a law revising the electoral districts.

We say that there has been partisanship in proposing ideas about dissolving or continuing the current assembly. There has been partisanship in pronouncing judgments, sometimes going as far as the spreading of rumors. In any event, the decision must return to the people from the decisionmakers. It is the people who will say yes or no to the current assembly. The people have the authority; indeed, they are the first and last authority, whose decision must be implemented without delay.

Engaging Parties in Electoral Decisionmaking Advised

90AA0187A Cairo AL-MUSAWWAR in Arabic
25 May 90 pp 24-26

[Article by Faruq Abazah and Nabil Rashwan: "Is Dissolving the Assembly the Way Out of the Constitutional Dilemma?"]

[Excerpt] [Passage omitted]

National Call for Consultation

What is the way out of this constitutional dilemma?

Tawfiq 'Abduh Isma'il, former minister for People's Assembly and Consultative Council affairs and National Democratic Party [NDP] assembly member, says, "No one has the right to criticize or object to the court's decision or deal with it, except for study and discussion by professors of law. Now, however, we face a constitutional dilemma involving a number of points. First there is the court's decision about Section 5a of the Elections Law. If the decision had been limited to this, the People's Assembly would have hastened to amend the provision to accord with the decision and its opinions in accordance with the constitution. However, the opinions in

the decision imply that the assembly's composition has been invalid since its election. Constitutional texts related to the assembly include Section 92, which fixes the assembly's term at five years (Western calendar) from the date of its first session, and Section 136, which provides that the president may not dissolve the assembly, except in case of necessity, and after a popular referendum. Taken together, these two provisions mean that the term remains five years, unless the president deems otherwise, in accordance with the decree-making power, one of the sovereign powers vested solely in him and in which he is not subject to judicial review. The main point now is that the assembly may not be dissolved by court decision. None of the constitutions in the world grants one power the right to intervene in the operations of another power. Furthermore, under the Egyptian constitution there must be a popular referendum on this, and there is a possibility that the majority of the people may not approve dissolution. In other words, the court's decision invalidating the assembly's composition is impossible to implement. There are many ways out of this dangerous dilemma. The best way in my personal opinion is for the president to invite the political parties for consultation, so that they agree among themselves on a way out of the dilemma. Public opinion will thus be reassured about the legality of the assembly's acts, in case there is agreement that the assembly should continue in order to confront the dangerous challenges that surround us and influence the destiny of Egypt and her people—I mean changes on the international and Arab scene, as well as the economic problems now facing us. These things call for stability that might not be provided by inviting the electorate to choose a new assembly about which there will be conflicting voices."

I asked Assembly Member Tawfiq 'Abduh Isma'il about the fate of the by-elections that were to be held in certain constituencies, now that the decision has been issued, and about the assembly sessions scheduled to be held before the decision is published in the official gazette.

He replied, "As for the by-elections in certain constituencies, in one of them—a party-list constituency in Sawhaj governorate—nominations were opened and a single candidate came forward. Elections must therefore be held in it. In another constituency—an individual one in al-Manufiyah—the date of the election has been set. The matter must be covered immediately by new provisions consistent with the court's decision and the constitution, if the view tends toward continuance. A period of 15 days has been set for publishing the decision in the official gazette. There is opportunity to open up discussion and debate about national agreement, so as to reach an opinion. I would therefore prefer that the decision be published on the 15th day, so that there is an opportunity to reach an agreement. I want to add that in the future our legislation must take place in a public atmosphere, not in closed rooms. Legislation must be submitted to public opinion. It must be discussed freely, so that everyone participates in it before the legislation is

drafted in its final form. In fact, we face the possibility of challenges to other laws—the investment [companies] law, the narcotics law, and the [foreign] investment law. We may face the same problem.”

Assembly Member Sa'd Shalabi, chairman of the Industry Committee, says that political, economic, and security conditions are unfavorable for holding new parliamentary elections. A solution must therefore be sought that does not violate the decision, yet spares our country the expense of new elections. He suggests that laws in the future should not be brought up for approval before they are submitted for broad discussion by specialists, so as to remedy any loopholes that would provide an opening for a challenge.

Unsuitable Timing

Assembly Member Dr. Hamdi al-Sayyid (NDP) says, “I think there is no choice but to implement the decision by amending Section 5 of the law to conform to the constitution. Then the continuance or dissolution of the assembly should be put to a popular referendum, relying on the authority granted to the president. For my own part, I think the timing is unsuitable for holding new elections, given our very difficult economic and security conditions. Every citizen must appreciate these conditions and the burdens that the election process requires.” Dr. Hamdi al-Sayyid sees the need to return to the system of election by proportional slates, with the required percentage being less than eight percent, and with an opportunity for the various parties to be represented, this by amending the law that regulates their formation. He believes that much alteration and amendment of the election laws will affect the legislative process and prevent it from performing its duties. The government now has no choice but to adhere to the system of individual election with all its shortcomings, first among them being the dictatorship of the single party, and then the waste and fragmentation of millions of votes obtained by the candidates of the other parties. Dr. Hamdi al-Sayyid adds that the constitutionally overturned Section 5 must be amended before the deadline for publishing the recent decision in the official gazette. It would be better for the change to emerge from the assembly than for the legislation to be done from outside.

Existing Assembly Legal

Dr. Fawziyah 'Abd-al-Sattar, professor of law in the law school of Cairo University, says that the consequences of this decision are clear and are defined in the law of the Constitutional High Court, including Law 48 of 1979, which established the court. Section 49 of the law provides that the decision concerning the unconstitutionality of Section 5 is considered binding on everyone. However, the law does consider the effects of such a decision and provides that a decision about the unconstitutionality of a legal provision should be applied only from the date the decision is published in the official gazette. In other words, the decision is not retroactive

either with regard to the composition of the assembly or with regard to any law passed by the assembly. The assembly in its present form is legal and constitutional, but a problem will surface when a seat becomes vacant after the publication of the decision. We shall then be in legal difficulty: it will not be permissible to apply the existing law, but we have no alternative. The assembly's next step must be to amend the constitutionally challenged section in accordance with the decision of the Constitutional High Court. This does not apply to the entire law. For example, the Constitutional High Court decided that Criminal Code Section 47 concerning judicial detention proceedings was unconstitutional. This section has not been enforced since the decision, but [the remainder of] the law continues in force.

“I repeat: clearly the assembly is validly and constitutionally composed. All the laws it has passed are valid and constitutional, unless one of these laws is challenged for a reason other than the decision of the Constitutional Court. The court was supposed to rule only on whether the text was constitutional or not; nothing else is part of its authority. The Constitutional Court does not have the authority to determine that the assembly is invalid or valid. It rules only on a legal section or provision. To remedy laws overturned as unconstitutional, as has happened a number of times, my view is that we should adopt the French system, which requires that the constitutionality of legal texts be examined before they are submitted to the assembly. Laws will thereby emerge from the legislature constitutional and valid in form and content.”

What is happening now among deputies and in the corridors of the Pharaonic hall? The debates are endless. The deputies are worried, fearing dissolution and its consequences—preparation for an election campaign that will be many times more expensive because of the continual rise in prices. Another source of worry is that the decision allowed every citizen to challenge the constitutionality of laws passed by the assembly before the Constitutional High Court, which adheres to its decision and the necessity of implementing it.

Those who were responsible for formulating the overturned law are waiting for a decision from the political authority which has the highest legal claim. Until we arrive at a national formula that preserves our national concord at this important time and in very sensitive economic and political conditions, the lesson to be learned is that our laws in the future should be so molded as to prevent gaps in their fabric. Thus they will be whole and impervious, not subject to challenge from any direction.

Laws Passed During the People's Assembly's Legislative Session [Box, p 26]

Local Administration Act; Consultative Assembly Act; al-Azhar Organization Act; Composition of the President's Office Act; Office of the Administrative Attorney

Act; Establishment of the Physician's Union Act; Development Plan ratification; Antinarcotics Act; Radio and Television Unifying Act; Tax Justice Act; Title Deed Tax Act and Inheritance Tax repeal; Overseas Workers' Salaries Act; Investment Act; Customs Duties Amendment Act; Investment Act Implementation Schedule; Investment Companies Act; Title Deed Tax Implementation Schedule; Maritime Trade Act; and Cooperative and Educational Associations Act.

When Will the President Issue His Decision on the Assembly? [Box, p 26]

President Mubarak is now engaged in studying the legal status of the People's Assembly, following the Constitutional High Court's decision invalidating the assembly's composition since its election, as well as the laws passed by it. The president is expected to issue his decision on the matter within the next few days.

Bank Director Maps Out Sectors of Financial Growth

90AA0176A Cairo AL-AHRAM AL-IQTISADI
in Arabic 21 May 90 pp 26-27

[Article by 'Abd-al-Mu'ti Muhammad Hashad, Director, Misr Bank, Sidi Salim Muhafiz, Kafr al-Shaykh: "Developing Fiscal and Banking Management"]

[Text] Global developments, technological advances, the economic revolution, conceptual changes in the economics of socialism, and intellectual as well as philosophical developments in old and new economic theories propel us, as part and parcel of this changing world, to think first and foremost of how to keep pace with these [unfolding events]. This requires that we radically change our economic and fiscal concepts away from intellectual bureaucracy. A proper beginning, in my opinion, is to develop fiscal management, banking concepts, and current banking procedures in four major fields: protection for savings, lifting restrictions on the banking system, invigorating the capital market, and in the role of insurance companies in economic development.

Protection for Savings

Article 39 of the Constitution stipulates that "to save is a national obligation protected, supported, and organized by the state." There is no doubt that the aforementioned concept of protection is not restricted to a specific form. Politicians and economists are therefore deliberating the introduction of radical amendments to Banking and Insurance Law No. 163 for 1957 in order to achieve a degree of customer confidence, assurance, and trust by cloaking bank accounts with some sort of confidentiality. This is the most important, and the simplest, type of protection mandated by the constitution, but not instituted by banking laws or ministerial decrees. Customer bank accounts are now open books and are especially available to agencies vested with administrative authority to impound. It has, therefore, become common

practice for any real estate or general tax agency to examine bank accounts and even seize them to satisfy debts of a hundred piasters or less. This witless procedure creates ridiculous situations and inflicts grave losses on the banks. The protection we advocate must be innovative and must guarantee total confidentiality for bank accounts. We are not calling for total secrecy, which means something quite different. We want confidentiality to encourage savings, but not secret accounts to ruin the economy and encourage the flight of capital at a time when we are reconstructing and promoting economic development. We are not in the league of Switzerland whose per capita (the individual's share of the gross national product) is highest in the world at \$21,330 per annum. Its rate of inflation is one percent for a population of 6.5 million. Egypt, by contrast, has a per capita share of the gross national product of \$680 per year, or three percent of the figure for Switzerland (see the report on world development, World Bank, New York, page 202, Arabic edition). Egypt's rate of inflation is 29 percent, according to the Central Bank of Egypt, and its population exceeds 54 million.

Lifting Restrictions on the Banking System and Advancing the Concept of Bank Credit

At a time when we demand more economic freedom and less red tape for investors, it is illogical to strip banking boards of authority, thanks to a 1983 Policy Committee resolution mandating the committee's approval before the banking system participates in a project, embarks on a new venture, or opens a substantial line of credit. A bank, to gain the committee's approval, must first study the project, and its board must reach a determination on it, before it is submitted to the Central Bank of Egypt for its review. The central bank would then relay the documents to the Ministry of Economy for study and referral to the Policy Committee. A waiting period ensues, until the committee meets to discuss the matter, and then refers it back to the ministry. The cycle backtracks until the documents are returned to the bank, and through it to the principal. The State Council has resolved this issue in favor of bank boards but I still call for the following:

- 1) The banking system should be turned into an autonomous fiscal authority with competence to play an effective role in economic development.
- 2) Bank managers should be given full guarantees to encourage them to make credit decisions without fear, trepidation, terror, or published scandal.
- 3) The concept of banking facilities should be reexamined. Credit is a function of five basic factors: the person of the borrower, the borrower's ability to repay, the securing capital, the borrower's situation, and the collateral or personal guarantor.

Those factors need to be studied and assessed as to risk. A line of credit issued on that basis would be a perfectly sound banking facility. If the borrower falter for some reason, such as getting entangled in economic regulations, a sudden drop in the pound's rate of exchange, or

as a result of a political decision—would that then be the fault of the credit decisionmaker and reason for his indictment, imprisonment, and loss of dignity and station? No banking manager dares open credit lines under current conditions for fear of the horror of being prosecuted for no crime except extending a credit facility, based on information that was sound and correct at the time the facility was opened and before the customer faltered.

4) Credit and information departments at bank branches should be developed and turned into financial analysis divisions that prepare sound reports with the aid of modern equipment. The staffs of those departments should be enrolled regularly and periodically in advanced training sessions.

Invigorating Capital Markets

The success of this market would no doubt signal that the economic crisis in Egypt is easing. But, how can this be accomplished when the primary market is yet to be fully functional and the secondary market is unable to attract business to the handicapped stock exchange? The primary market, in this instance, embodies the banks which are the largest financial intermediary in Egypt. Is it logical for the four major public sector commercial banks to have aggregate capital investments of only 6.587 billion pounds, or 13.5 percent of their total budgets on 30 June 1989? Why do those banks invest so little? Because of the law that enjoins banks from "owning corporate stock in excess of 25 percent of the company's paid capital, on condition that the nominal value of bank-owned shares does not exceed the bank's reserves and paid capital. (Article 39, Paragraph D of Law No. 163 for 1957.)

The banks therefore endeavor yearly to increase the ratios of various allocations, reserves, and ownership rights in general in order to gain opportunities for more investment under this esoteric law that has been limping along for more than a third of a century. I, therefore, call for reexamining that law and that article in particular.

I also advocate a more effective role for investment banks and institutions that were specifically created to support the capital market in Egypt. This can be accomplished by creating investment or other companies to undertake various economic activity (Article 17 of Law No. 120 for 1975). The financial paper and investment portfolios of investment and business banks are valued at 0.7 billion pounds, or 4.7 percent of their assets on 30 June 1989 (the economic magazine of the Central Bank of Egypt, Volume 28, No. 3, p 360.) This modest figure is not commensurate with the *raison d'être* of this class of institutions that unfortunately compete with commercial banks and operate outside their proper boundary of invigorating the capital market. But to do so requires contemplating the creation at all bank branches of financial paper divisions supplied with figures and the stock exchange daily bulletin in order to be always able to supply customers with data.

The Role of Insurance Companies in Economic Development

Insurance companies play an important role in the collection of savings. The distinction of this sector is that its funds are of the long-range variety in contrast with commercial banks which deal in short-term deposits. The insurance sector in Egypt must therefore accept blame for severe dereliction of duty in helping to implement investment projects that could invigorate the capital market. Observers of Egyptian insurance company practices find that they have extremely modest stock and financial paper investments that amount to no more than 13 percent of their aggregate budgets. This is comparable to the investment ratio of commercial banks, despite the difference in the range of funds invested in the two sectors. Since insurance companies place 38 percent of their aggregate budgets in bank certificates of deposit (see the 1986 annual report of the General Authority for Insurance Oversight, in English, p 20), I beseech the Supreme Insurance Council in Egypt to decree a review of insurance company investment policies. I should also point out that insurance cooperatives as well as government and private insurance funds usually invest in nothing but investment certificates or commercial bank term deposits. Why doesn't this sector initiate investment projects in line with the country's economic development plan? Insurance companies in Egypt are capable of investing more than 2 billion pounds in projects that could stimulate economic revival. When will they do so?

In summary, our conclusions are:

1) In order to provide constitutionally mandated protection, it is of the essence to decree the confidentiality of bank accounts and prevent access to them except by a court ruling.

2) Banking and credit laws should be reexamined with a view to more freedom and flexibility for the banks, so that they effectively contribute to economic development. The concept of banking credit facilities should be advanced in order to encourage credit managers to pursue, without fear, the healthy and normal practice of putting savings to work.

3) The ratio of commercial bank holdings of corporate stock should be reviewed and the banks encouraged to create more stock companies whose shares they could trade on the exchange, thereby boosting the capital market by creating new companies, stimulating the exchange, etc. The exchange also needs to be developed, supplied with modern equipment, and linked via modern electronic network to capital and stock brokers in order to forge closer relations with them and provide them with real time market quotations.

4) The important and effective role of insurance companies should be kept in focus and not overlooked. Insurance company investment policies should be reviewed to reduce their commercial bank deposits in

favor of reinvesting the funds in major economic enterprises that the banks may be unable to undertake in either sector.

Those steps would take us a long way towards developing financial management and banking vision in order that we may revive the economy of Egypt.

AL-AKHBAR Reports Alleged Defense Industry Plans

*90AA0161A Cairo AL-AKHBAR
in Arabic 7 May 90 pp 1, 4*

[Article by Faruq al-Shadhili and Yasir Rizq: "Major Development of Egyptian Military Industries; Manufacture of Light Aircraft for Civilian Use; Manufacture of New Helicopter Under Study"]

[Text] AL-AKHBAR has learned of an ambitious plan to develop and modernize the Egyptian military industry, produce new weapons, and develop current military production.

AL-AKHBAR has also learned that Egyptian studies have been completed on the development of the Eastern Tank (T-62), which is in service in the armed forces, with a view to prolonging its life span, augmenting its fire power and accuracy, and raising its efficiency in night combat, in order to turn it into a modern tank. The development includes fitting the tank with a new gun and new fire control equipment.

AL-AKHBAR has learned that the Egyptian changes introduced to the Eastern Tank (T-62) have been proven highly successful in terms of fire power and accuracy. These changes included a 105 mm gun fitted with fire-control equipment.

Furthermore, studies are under way to augment the ability of some types of tanks to resist modern antitank ammunition by fitting them with additional armor. Training models that are highly efficient in training tank crews are being widely used in armored formations because they provide a climate similar to combat conditions inside the tank. These tanks have also contributed to the rationalization of tank training costs.

Lieutenant General Ibrahim al-'Urabi, board chairman of the Arab Industrialization Organization [AIO], announced the creation of a new aviation services company to provide services in 20 different field. He said that the organization is currently working on the manufacture of light aircraft, financed with Egyptian or Arab capital, to be used for this purpose, and that it is in the process of identifying the needs of the various sectors—the armed forces, police, tourism, and agriculture—because it now has the necessary capabilities to manufacture such aircraft and supply the spare parts for them.

In the seminar held yesterday, Lt. Gen. al-'Urabi added that it did not make sense to use Egypt's free currencies for renting aircraft from the outside. Moreover, security

protection can be provided for Egypt's vital installations, because in these cases Egyptian pilots can be used. He said that the only thing missing now is a study of its presence [as published] in the country. In addition, these aircraft can be used to transport tourists from airports to tourist cities. As for police work, they can be used for traffic control in large cities at peak hours to detour traffic away from congested areas or gridlocks. They can also be used to provide VIP protection; chase outlaws in the desert or farm areas where vehicles cannot go; and put out fires in areas that are not readily accessible by quickly supplying them with the necessary firefighting materials, such as water and chemical substances from nearby areas.

Lt. Gen. al-'Urabi emphasized that the current studies the organization has conducted confirm that these aircraft can be used for certain missions in Arab countries economic feasibility studies [as published] for assembly and industrialization. He affirmed that the armed forces are now working on the manufacture of a light helicopter with a two to four ton capacity. These studies can be used to launch the production of light aircraft for civilian use. He said that these aircraft will be used primarily by the armed forces for border patrols and air reconnaissance; in the scientific field for remote exploration and overhead photography; and in the oil sector for transporting workers to outlying places and for tracking oil pipelines and transporting modern installations to these places. Light aircraft can also be used for power line inspection, insecticide spraying, and quick rescue work.

He said that a proposal in effect in several countries has been submitted to collect \$5 from every incoming tourist as a subscription to quick rescue services, to be made available to tourists, such as insecticide spraying, monitoring communications or oil lines, and providing prompt maintenance [as published].

The seminar was attended by Egypt Air president engineer Muhammad Fahim Rayan; Major General Mustafa Kamil, first assistant to the minister of the interior for state security; Major General 'Awad al-Kurdi, chief of the Traffic Department; and a number of tourism, cabinet, and armed forces officials.

The Arab Industrial Organization [AIO] held a seminar yesterday evening, to which cabinet officials were invited to identify their needs for these light aircraft, with a view to preparing an economic feasibility study and identifying the capabilities such aircraft should have in order to render the services required by these sectors.

Abolition of Holiday Fails To Stimulate Workers

*90AA0161B Cairo AL-AKHBAR in Arabic
13 May 90 p 7*

[Article by Muhammad Darwish: "In Wake of Cancellation of Saturday Holiday: 50 Percent Absenteeism in Some Departments, Female Employees Object the Most"]

[Text] On the first day the decision to cancel the Saturday holiday was enforced, government departments and ministries had a lot of absenteeism, up to 50 percent in certain departments! Some employees objected to this cancellation and female employees expressed the most objection for losing a full day which they used to spend on taking care of their homes. The greatest supporters of this decision are people in high-management positions and a number of higher production champions. AL-AKHBAR took a quick tour in a number of ministries and Cairo streets and came up with the following picture.

Jamal Shanan, chief of the audiovisual department in the Ministry of Health, said that cancelling the holiday was not a problem for him because his department is not bound to any specific work schedule. The only problem he faced was the time it takes him to go from his home to his work. What used to take him a few minutes on Saturday now takes double that time, just like any other day.

Sabirah Sayyid 'Atiyyah, an employees who has one son and two daughters, said that this decision has cost her a lot in home and child care. While household chores used to be put off until the weekend, devoting the rest of the week to the job, these burdens have to be distributed over the entire week now, thus consuming the working woman's energies between the home, the children, and work.

Will Production Rise?

But will the cancellation of the holiday lead to an actual rise in job performance and will it help expedite the people's business? Dr. Ahmad Fu'ad Sayf-al-Nasr, general director of culture and information at the Ministry of Health, believes that under the economic conditions we are now experiencing, our country needs maximum efforts to raise production and it does not make sense to waste a working day that can be used to expedite the people's business. Increased production will not be achieved by merely cancelling a holiday, for it requires concerted efforts to instill in people service and performance.

Social worker Amal 'Abd-al-Ghani and her colleague Sabah Subhi demanded the restoration of the Saturday holiday because employees have been used to having Saturday off for six years and have planned their lives accordingly.

More Pedestrians

Concerning traffic downtown, where a large number of ministries and government agencies are located: This area has not experienced any congestion or abnormal activity compared to previous Saturdays, as Captain Nabil Zakariyah Darwish of the rapid deployment force affirmed, and the number of violations was no higher than usual. City streets had a larger number of pedestrians going to the ministries and government offices to take care of their business.

Islamic Council Leader Argues Against Religious Parties

90AA0187C Cairo AL-AHRAM AL-DUWALI
in Arabic 9 Jun 90 p 6

[Article by Dr. Jamal-al-Din Mahmud, general secretary of High Council for Islamic Affairs: "Dangers of Religious Party"]

[Text] Without doubt, President Husni Mubarak's statement rejecting the idea of establishing a religious party in Egypt agrees with the provisions of the constitution and the law. Above all, it agrees with the country's highest interests in the immediate and distant future, interests that must not be trifled away under any circumstances. The change in Egypt's political system from a totalitarian system to a multiparty system means no more than a democratic trend in government, with the many political, economic, and social advantages this entails for the people. It absolutely does not mean any tendency to change the social foundations of the Egyptian people. These have remained constant for over 1,000 years and include the political, social, and cultural unity of the people.

Permission to establish a party on a religious basis does not fall within the democratic trend as correctly understood, nor would it entail the same consequences. On the contrary, it would constitute a trend toward political despotism. It would entrench the concept of religious sectarianism in the country, at the expense of the idea of political citizenship on which modern Egyptian society is based. Furthermore, it would include religion, with its higher values and exalted principles of belief, ethics, and social organization, in the political scene in Egypt, a scene not lacking in elements of change, instability, maneuvering, trickery, and corrupt practice.

Religion, with its higher values and sublime universal principles, instead of being Egypt's conscience and balance, and instead of influencing by its sanctity the trends of social and ethical behavior of all Egypt's people, would become merely a direction espoused or claimed by a strong or weak political organization trying to benefit from this sanctity by various political means and practices and out to strengthen its political existence, rather than serve Islam. The political behavior of this party may appear to be corrupt; it may reveal a departure from Islamic values. The entire religious tendency, in itself a cause for agreement, may therefore become subject to unjustified evaluation or questioning.

On the other hand, it should be pointed out that the platforms of the political parties in Egypt call for applying the *shari'ah* [Islamic law] and reviving Islamic values. This is in itself praiseworthy and falls within the broad concept of political activity, since the Islamic tendency represents the desire of the masses. Implementing this desire may be a point of disagreement among the political parties regarding the means, timing, and legislation that would bring it about. All this is acceptable from the Islamic and political point of view.

The Egyptian constitution confirms this tendency in the text of its second section, which makes the principles of the *shari'ah* [Islamic law] the main source of legislation. Furthermore, the second chapter of the constitution clearly shows these to be the fundamental values of the Egyptian people. Monopolization of the religious tendency by one or more parties would therefore not be in accord with Egyptian reality. It would only mean political exploitation of religion. It might encourage taking account of a citizen's religious identity in political activity, something unacceptable and incompatible with the principles of the constitution, which guarantees freedom of belief and equality among citizens without regard to religion or race. It might in practice lead to political polarization on the basis of religion, something foreign to Islam with its justice, tolerance, and social coexistence with all revealed religions—things that have been apparent for many centuries in the entire Arab region, not merely in Egypt. Lebanon suffered a disaster only because religious identity was taken account of in politics. The attempted constitutional organization of these dangers to the state's existence was not successful. The experiment lasted only a few decades, since it was incompatible with the basic premises of Islam and Christianity and with Arab and Islamic history.

Service to religion and the propagation of its principles and values in society cannot be done best by political organizations in their nature as political parties or even by the state itself; for religion is not susceptible to nationalization or to political monopolization. Political organizations work for much narrower purposes than does religion with its comprehensiveness, its goals, and its idealism. This is the lesson of all Islamic history. Islamic states have collapsed politically in modern times because of colonialism, but Islam remained in society, governing its relations, and controlling its trends, as a non-Muslim thinker has correctly stated; and this had the greatest influence in the subsequent recovery of political existence by these countries.

ISRAEL

'No-Peace Culture' Said To Characterize Society

90AE0071E Tel Aviv HA'ARETZ in Hebrew
2 May 90 p 4b

[Article by Mani Mauntner]

[Text] The writer is a lecturer in the Faculty of Law in Tel Aviv University.

The Six Days' War was a watershed from the viewpoint of the predominant values in Israeli culture. Before the war, a clear hierarchy was dominant in Israeli culture, placing the community over the individual. The central value in the culture was the value of sacrifice. The individual was seen as an instrument for realizing the aims of the state and of society. The arenas of sacrifice were settlement and the army.

The value of sacrificing life was forged during the War of Independence, and became a central value in the heritage of the war, predominant in Israeli culture in the fifties and the sixties. This notion was strengthened by the contrast between the manner in which those who fell in the war died, and the fate of European Jewry only a few years before. The usage of the words "sacrificing" and "sacrifice" developed. Those who died in the war died a noble death; they sacrificed their lives willingly in order to allow the establishment of the state and the building of society, in contrast to those who died in the Holocaust, who were victims and who were brought forcibly, helpless, to a merciless death.

In the sixties, it appeared as though the traditional hierarchy in the relations between the state and the individual was liable to be shaken. The Six Days' War stabilized it. Those who fell in the war sacrificed their lives in order to liberate the state from a threat, which was seen on the eve of the war in terms of a second Holocaust. Sacrificing prevented a victim's death.

The period since the Six Days' War is characterized by the rise of a competing value system, alongside the traditional and contrasting value system. The new system places the individual at the center. "The good life" is that in which the individual succeeds in filling his one-time life with a maximum of experiences and experiments that can be considered enriching and pleasurable, without any view to contributing to advancing the interests of society. An accepted phrase which sums up the relation between the individual and the state, according to this system of values, is "a small head."

The reason for the rise of the competing system is apparently the growing political and cultural affinity of Israel for the United States, the disintegration of Israel's social vision, and the feeling of "it's coming to me" after the victory in the Six Days' War.

The two systems exist side-by-side. One explanation for this co-existence is that under the conditions of a continuously rising standard of living, it is easy to maintain a hedonistic lifestyle and to espouse the value of sacrifice. The main explanation, in my opinion, is that situations of sacrifice are understood in Israel, precisely, as making it possible to experience singular experiences and self-fulfillment. The clearest example of this, is the military service. What should be seen as sacrificing on the part of the individual for the benefit of society, is considered, precisely, to be an opportunity given by society to the individual. This approach is expressed clearly in the response of a 65-year-old woman, during an interview published in HADASHOT, to the question of whether it is difficult to send two sons to the army: "Yes, but I was very satisfied in doing this. The army was wonderful for Ahino'am...If there had been no army, it would have been necessary to invent it for Ahino'am...What the army did for him, how it changed him for the better! They really educated him there...If it were up to me, and if they wanted to, I would say let them go to the army again."

There are four groups in Israeli society, each of which represents, to a certain extent, a portion of the values of the two aforementioned systems.

One group is formed by people loyal to the traditional value system. They seek to subordinate the individual to the goals of the state, by carrying out the value of sacrifice, mainly, by establishing settlements in the territories of Judaea, Samaria, and Gaza. Their strength resides mainly in the fact that they act on the basis of the traditional value system of Zionism and the state.

The second group is comprised of those who uphold values similar to those that emerged since the Six Days' War. They seek to eradicate the traditional goals of Zionism and the state—sacrificing through settlement and combat—and to supplant nationalism with liberalism. Their weakness resides mainly in the fact that they oppose the traditional value system, so that the images they choose to build with, are considered illegitimate in broader circles. Another difficulty is that they seek to represent a philosophical and political approach that is rich in content, while the structure of the values that has become rooted in the country in the last two decades, is exemplified by hedonism, only the shallow exterior of this approach.

The third group is comprised by those who seek to maintain both value systems. They seek the continuation of the traditional goals of sacrifice through settlement and the military service, while affording the individual the opportunity to pursue a life of consumption and hedonism. It would appear that they are the majority in Israeli society.

A decisive factor for the success of the Likud in the last six years, is its ability to successfully represent the basic values of these two systems. By its unconditional support of settlements [in the occupied territories], it appears to be the standard-bearer of the value of sacrifice through settlement. In this manner, it succeeds in becoming part and parcel of the central myth of the state and of Zionism for those who arrived in the country in the fifties, too late to have participated themselves in the fulfillment of the value of settlement. The Likud also appears as an outstanding supporter of the value of self-realization, which stands at the center of the opposing value system. As a supporter of the market economy, it appears as the one that allows the individual initiative, freedom of action, and self-realization.

The two messages that are remembered from Prime Minister Menahem Begin's appearance on the night of the "upheaval" of 1977 were: "There will be many more Alon Moreh's", and "We have come to benefit the people." Moreover, the Likud has succeeded not only in representing well the basic values of the two predominant cultural systems, but also in resolving the contradiction between them by creating a "division of labor". The value of sacrifice was transferred to the "territories," while in Israel itself there were consistent attempts

to raise the standard of living, with the repeated argument that one thing did not come at the expense of the other. The Alignment, in contrast, due to its equivocal position regarding the settlements, appeared as one that least supported the value of settlement or even denied it. Likewise, the Alignment never legitimized the values of consumerism and hedonism that are at the base of the opposing system. In that way, it lagged behind the cultural developments of recent decades. Moreover, due to its socialist tradition and its affinity to sectors such as the kibbutzim and the Histadrut, it was perceived as seeking to promote the welfare of only of elitist and well-connected groups.

Another group is comprised by those who belong to the culture of traditional Judaism. Their experience is not rooted in either of the two value systems that are prevalent in secular society. As they are members of a great civilization that is rich in content, it is easy to understand the superior attitude they maintain towards the local secular culture. In view of the contradictions in the secular culture, and in view of the absence of a real internalization of Western liberalism in the secular culture, it is easy to understand the attraction that members of the other two groups find in the messages representative of this group. Thus, the Israeli culture stands in the shadows of great civilizations: Judaism and Western liberalism. However, it is clear that in the struggle for the soul of the Israeli society, the representatives of the first civilization enjoy clear advantages from important viewpoints, such as: the closeness of the tradition, institutionalization, and an easy approach to the major texts.

Much has been said in recent weeks about the need to achieve peace. The absence of peace is not only political, it is also cultural. The reigning culture in the country was created under the conditions of the absence of peace. Its central values—for example, soldiering and combat—conflict with peacetime conditions. The first stage in the life of Zionism and the state was the stage of sacrificing. In the second, present stage, the cultural system that was built on the value of sacrificing continues to exist, while, alongside it, there is an opposing system, built on hedonism and consumption. A leader who seeks to pull Israel towards peace can do this without difficulty, even though he will have to build a new balance between the main values that prevail in Israeli culture. In the absence of a determined political will to achieve peace, Israeli society will be able to continue to exist in its present state for many more years. Only a severe economic blow, seen as stemming from the lack of peace, and which would prevent the realization of hedonism, or, heaven forbid, a bloody war, would bring Israel into the third stage.

JORDAN

Muslim Leader Discusses Ties With PLO, Jewish 'Crimes'

90AE0076A Amman AL-LIWA' in Arabic
30 May 90 pp 4-5

[Interview with Member of Parliament Dr. Muhammad Abu-Faris; by Hilmi al-Asmar; "An Incomplete Interview With MP Dr. Muhammad Abu-Faris: I Am for

Going After the Jews, In or Out of Palestine"; first paragraph is AL-LIWA' introduction; date and place not given]

[Excerpts] [Passage omitted] I interviewed Dr. Muhammad Abu-Faris, member of parliament from Suwaylih, at the new Amman headquarters of Islamic Movement deputies. I did not get to ask all the questions I wanted to pose to him because he had several other engagements, including an urgent meeting of Islamic Movement deputies at their headquarters. The deputies constantly interrupted the interview urging him to join their meeting. [passage omitted]

The Ri'shon Letziyon Massacre

[al-Asmar] How did you receive news of the Jewish crime in the Ri'shon Letziyon settlement south of Jaffa?

[Abu-Faris] Doubtless I felt great pain for two reasons—the horror and brutality of the incident and the Arab stance towards a people that is given no help or aid in the face of slaughter. My Muslim faith mandates that I sympathize with other Muslims. The *hadith* [Prophetic tradition] says that "Muslims, in their empathy and compassion for each other, are like a single body. When an organ is traumatized, the rest of the body responds with protection and vigilance...."

What I really want to say is that the crime was perpetrated at a place viciously dubbed by the Jews as "The Slave Market." It is a place frequented by those looking for work in order to earn a living. Those workers could have opted not to work for the Jews, and consequently joined the ranks of those fighting the Jews, had their needs been met using some of the ample Arab funds, estimated at hundreds of billions of dollars, that are piled up in American and other banks.

I wish to say that the Jews are not to be disparaged for such actions because they are enemies. Enmity, by its nature, entails murder and bloodshed, especially by Jews who are spiteful of other people in general and of Muslims in particular. They seek opportunities to shed Muslim blood in order to sate their viciousness and spite. Our resentment should be directed at the official reaction to such incidents, even as al-Aqsa Mosque was burned in the past, its congregation, and its carpets stained with blood. Indeed, "officials" did not react properly to such incidents—they protested and that was the end of that—whetting the Jewish appetite for more such ugly and barbarous crimes, [since officials merely] reacted with one more protest added to thousands of others previously lodged with world organizations.

Group Reaction

[al-Asmar] What would have been a proper collective reaction to such crimes? (I meant by the Muslim Brotherhood or by the grassroots.)

[Abu-Faris] To mobilize the nation for jihad, go into training, and provide the weapons and supplies the

people need to protect honor and country, and to spearhead the liberation army—the al-Aqsa army—which would storm the borders and wage a war of attrition to rid Palestine of this Jewish microbe.

[al-Asmar] Is there a pragmatic movement towards such a confrontation?

[Abu-Faris] What I mentioned was not a reaction but a realistic solution to be implemented in stages. A reaction is only partially useful because it ends when the action that prompted it ceases. The right avenue is to steadfastly persist until victory is realized.

[al-Asmar] This is fine. What do we do when it is time to fully implement plans?

[Abu-Faris] We could carry out jihad operations as I mentioned before. Since the spilling of Jewish blood in Palestine is rightful, I envisage operations in Jewish circles and in the lands where Jews live.

There has been more than one such operation. One of the 15 charges against Shaykh Ahmad Yasin, the spiritual father of Hamas, the Islamic resistance movement which is the striking arm of the Muslim Brotherhood, was that he planned the killing of two Jewish soldiers. The soldiers were actually killed and there is no smoke without fire. As he stood in the prisoner's dock he was asked: "What is it that you want?"

He proclaimed: Palestine, from the river to the sea. Jihad is the path mandated by God.... "It is to be pointed out that Shaykh Yasin was charged before a Jewish military court in 1984 with organizing an Islamic militia in order to overthrow the Jewish state and erect an Islamic state. He was sentenced to 13 years in prison, which proves that the movement has clear goals and is steadfastly pursuing its objectives without deviation. He continued steadfast after his release and until he was again arrested and charged with the 15 counts.

Solidarity Demonstrations in Jordan

[al-Asmar] How do you view Jordanian demonstrations in solidarity with the Palestinian intifadah [uprising] and in protest against Jewish crimes?

[Abu-Faris] People have the right to express their feelings and their empathy for their brethren in Palestine and to share their anguish, but they must do so in moderation and without offending Jordanians who are, after all, citizens of this land and who have shared the common objectives of the Palestinian cause since the 1920s. They supported the Palestinian people in their jihad movements and even joined their struggles in Palestine, side by side. Examples are Officer al-Hunayti and Kayid al-'Ubaydat, martyred for the Islamization of Palestine.

There is no need for riots and disorder which play into the hands of the Jewish enemy. The Jews want Jordan to be Lebanonized and the Mosad is working towards that end. Only the Jews would benefit should civil war break

out, because it would devastate and weaken this front and cause it to fail. God says: "Do not altercate or you would fail and lose your wind"—in other words, your power and your country. Torn apart, people would be incapable of confrontation. We warn the nation against infiltrators who serve Jewish interests. It really makes no difference whether they do so intentionally or otherwise, since the end result is the same.

Grassroots Movement

[al-Asmar] Disinformation campaigns have targeted the Islamic Movement, its slogans, and its crusade. And yet, the movement has found great popularity, was adopted by the masses, and its members were elected by more than one constituency. How do you explain that?

[Abu-Faris] It is common knowledge that members of the Islamic Movement were pursued and harassed. Such measures, rather than weaken the movement, caused the men to be even more steadfast and won popular sympathy for the oppressed, especially since they adhered to their principles. Parliamentary elections reflected this sympathy when the people came to the clear realization that the Muslim Brothers are advocates of righteousness and well-being. They wish this people well, defend their freedoms, rush to their aid, and adopt their causes even though [the Muslim Brothers] are subjected to hardship and suffering and are persecuted in their movement, activity, pursuit of livelihood, etc.

About Covert Organizing and Overt Operations

[al-Asmar] On the clandestine structure of the Muslim Brotherhood and conditions for overt operations, Dr. Abu-Faris pointed out that Brotherhood leaders are perfectly well-known and that they put their names to all their manifestos. They hide nothing and all their activities are above ground.

Those who undertake grassroots activity must necessarily be well-known. Anonymity is for those who do not serve Muslims. Even among the [Prophet's] Companions, those who undertook public activity were known and those who did not remained unknown. There were Companions who remain unidentified.

He added: We believed in openness prior to the parliamentary elections and we still do. We have always been this way despite harassment and persecution. We never concealed our political posture. When told that "it is forbidden for the Brotherhood to speak at Irbid," al-'Umari, al-Natur, or al-Kufahi would give a speech anyway and then get thrown in jail. We believe that serving Islam is overt work, but some youths, terrorized by oppressive security measures, used to deny their affiliation for fear of discrimination and dismissal from their jobs. They were driven to do so by threats to their livelihoods and by terrorism on the part of the security forces.

[al-Asmar] This Means that there is nothing covert about the Call [to Islam].

[Abu-Faris] That's right.

[al-Asmar] It is said that the martyred Imam Hasan al-Banna, may God have mercy on him, entrusted certain tasks to a group of people known only to him. What do you say to that?

[Abu-Faris] Imam al-Banna's notes list committees, members of the Guidance Bureau, and even ordinary individuals. The notes (of the Call and the Callers) contain several accounts of the group, its activities, and its committees, therefore disproving that claim. In any event, should a committee have a special mission, such as fighting the Jews in the land of Palestine or the British in the land of the canal, the nature of that assignment is private and not public. This should be maintained in order to protect its life from its enemies. [as published]

The Dismissal of Shaykh 'Abdallah 'Azzam

[al-Asmar] It is claimed that Dr. Muhammad Abu-Faris signed the order to dismiss the martyred Shaykh 'Abdallah 'Azzam from the Muslim Brotherhood. Is that true?

[Abu-Faris] In God's name! May God have mercy on Abu-Muhammad. This is a terrible thing for a Muslim to say. I don't shed many tears. But when I was introduced by the people to speak on the day of his martyrdom, I could not. I was choked with tears and had to leave the podium. When the Brotherhood make a decision they publicize it. That allegation is an outright lie. Had there been such an order, it would have been made public.

Eight members were once dismissed from the Guidance Bureau and their names were announced at the time. The Brotherhood, when it dismisses or penalizes an individual, publicizes its decision as a way of disclaiming responsibility for future action by that individual.

Our brother Shaykh 'Abdallah was a Brotherhood leader until the last moment of his life. The Brotherhood respected him, loved him, revered him, and supported him on the path of jihad.

[al-Asmar] That is a fabrication, then?

[Abu-Faris] I invoke God's name. The Brotherhood made an announcement when they dismissed some members here. Let there be no mistake, everyone must understand that the Brotherhood did nothing like that. I personally continued my very close relations with him until his very last moments.

[al-Asmar] When was the last time you saw him?

[Abu-Faris] He was abroad and I was forbidden to leave [the country], but I kept in constant touch with him by telephone and verbal messages as well as through both conversations between our wives.

[al-Asmar] It is alleged that Yasir 'Arafat, chairman of the executive committee of the Palestine Liberation Organization, sought a meeting with 'Abd-al-Rahman

Khalifah, the Brotherhood's observer general in Jordan, but that the latter did not respond. Is that true?

[Abu-Faris] I have no knowledge of that and I know nothing about it.

[al-Asmar] Are there links of any kind between the Muslim Brotherhood and the Palestine Liberation Organization?

[Abu-Faris] There is no relationship or coordination between the PLO and the Brotherhood in Jordan, or outside Jordan as far as I know.

[al-Asmar] How about within Palestine?

[Abu-Faris] Again, as far as I know, the Muslim Brotherhood and the Hamas movement in Palestine are careful not to clash with PLO factions in order to avoid bloodshed and to channel that blood towards resisting and fighting the enemy. Because of that, the Muslim Brotherhood and the Hamas movement are subjected to much adversity and hardship from many sources, but they endure for the sake of national unity and fortifying the internal front to confront the Jews.

[al-Asmar] Any developments concerning Hamas membership in the Palestine National Council?

[Abu-Faris] The "memorandum" was pronounced but nothing else is new. Tactically and strategically, Hamas differs from other movements in that it envisions all of Palestine as Islamic, from the river to the sea. It rejects all peaceful means of liberation. Hamas and the Brotherhood believe that jihad is the only way to liberation. Consequently, Hamas will not join the National Council except on that basis and until it adopts that strategy.

[al-Asmar] Adopt it fully?

[Abu-Faris] Yes. We absolutely refuse to concede any part of it.

Political Acumen

[al-Asmar] It is claimed that the Muslim Brotherhood lack political acumen in their field operations.

[Abu-Faris] These are claims. Should all claims be believed, as the Prophet said, people would take over the lives and fortunes of others!

[al-Asmar] Some site the Brotherhood's experience in Egypt as proof of that allegation.

[Abu-Faris] The Egyptian experience is successful and well-known. The Brotherhood's vehicle for reform is change which begins with reforming the Muslim individual, then the Muslim people, and then the Muslim government born of that Muslim people in order to realize its objectives and aspirations for establishing the Muslim way of life and for applying *shari'ah* [Islamic law] in all aspects of living. This is the Brotherhood's way. Certain politicians see it otherwise, but the Brotherhood are committed to this path because it is, in their

view, the correct and sound way to recommence the Islamic way of living. This philosophy has made them targets of information campaigns to distort their image and alienate them from the people but all such attempts failed thanks to their political acumen and technical expertise that won them mass support, even under difficult conditions.

Once the masses were allowed to express their views and desires, the realities of such [Brotherhood] policies and their accomplishments were manifested through the mouths of the people, who demonstrated their confidence and elected them spokesmen, entitled to make decisions that impact on their very destiny.

Abu-Zant's Position Within the Brotherhood

[al-Asmar] Would you comment on Shaykh 'Abd-al-Mun'im Abu-Zant's position within the Brotherhood, especially since he dissented from the Islamic Bloc and withheld confidence from the government of Madr Badran?

[Abu-Faris] He is of the Muslim Brotherhood in essence and in form. All the rumors about him are falsehoods and lies.

[al-Asmar] How about breaking the consensus?

[Abu-Faris] The matter has been closed.

We were forced at this point to terminate this enjoyable and informative interview with Dr. Abu-Faris. Deputies Yusuf al-'Azm, 'Abd-al-Mun'im Khalifah, and Dr. al-'Akaylah wouldn't let us continue the interview as they kept bursting into our meeting room to urge Dr. Abu-Faris to join their meeting and he kept asking to be excused a while longer. He finally had to join them after Mr. al-'Azm said: "How about it? You have left your colleagues waiting for you for two hours!"

I gathered my papers hoping that I will someday get another chance to ask him my remaining questions, which shall remain without answers for now!

KUWAIT

Annual Report on Trade, Industry Published

90AE0057A Kuwait AL-QABAS in Arabic
15 May 90 p 17

[Article: "Ministry of Commerce and Industry Annual Report: National Economy Still in Recession; Indications of Recovery Emerging"]

[Text] The annual report put out by the Ministry of Commerce and Industry said that the national economy is still suffering under the relative recession that began in 1982 as a result of a combination of world, regional, and local factors represented in lower oil prices, the Iraq-Iran war, and the local stock exchange crisis.

Nevertheless, for the last three years the economy has been recovering slowly and elements pointing to a relative recovery in 1989 are expected to bring about further economic stimulation. The key elements are:

- The relative improvement of world oil market conditions, as reflected in the relative price stability and the limited increase in quantities offered for sale.
- The issuance in November 1989 of the Joint Economic Committee report on the proposed measures to stimulate economic activity and to raise the efficacy of the plan to settle hard credit facilities which was the product of joint efforts between government agencies and private sector leaders under the direction and auspices of his royal highness the crown prince and the prime minister. The Ministry of Commerce, as one of the government agencies, contributed to this report. In an effort to implement the report's recommendations, the crown prince issued an order to form a monitoring committee charged with making contacts with the various ministries and state agencies for this purpose.
- The Iran-Iraq cease fire instituted in mid-1988 and the hope that negotiations between the two countries will succeed, leading to a durable peace between the two countries and to stability in the countries of the region as a whole, with the attendant positive impact on regional and local economic conditions.

Gross National Product

The report said that the growth in the GNP [gross national product] reflects, according to the generated activities, the performance of various national economy sectors.

He explained that the 1988 GNP posted a 4.9 percent negative growth, compared to 13.9 percent positive growth in 1987. This is due to the unfavorable conditions that prevailed over the world oil market in 1988 compared to 1987, foremost of which is the OPEC countries' failure to comply with the quotas and the concomitant drop in the spot market oil prices from about \$16.7 a barrel in 1987 to about \$13.6 a barrel in 1988.

These developments were reflected in an almost 22.8 percent drop in the overall GNP of both parts of the oil sector (crude and refined) between 1987 and 1988.

As for the nonoil sectors, its gross product posted a 0.7 percent positive growth in 1988 over the previous year, compared to a 2.8 percent negative growth in 1987.

This reflects the relative recession still plaguing economic activity, notwithstanding the limited recovery in the nonoil sectors during last year and the two years before that.

Even though the average growth in the GNP of nonoil sectors did not go beyond 0.7 percent, the performance of these sectors in particular instances was disparate. Some

sectors achieved higher growth rates, some achieved lower growth rates and others showed negative growth rates.

Some examples of the first group are agriculture, fishing, nonoil processing industries, construction, restaurants, hotels, transportation, communications, financial services, real estate, and business services.

An example of the second group is the personal services sector. The sectors that posted negative growth rates were the retail and wholesale business, social and public services, and insurance.

Foreign Trade

Exports for 1988 amounted to about 1,997.7 million dinars versus about 2,304.4 million for 1987, or a decrease of 13.3 percent.

This decrease was due to a drop in the value of oil exports between the two years in question, from 2,069.7 million to 1,755.9 million, or a rate of 16.3 percent, because of lower oil exports.

As for nonoil exports, they continued on their upward trend, going up from 207.7 million to 241.8 million between 1987 and 1988, or at a rate of 16.4 percent compared to a drop of about 17.4 percent between 1986 and 1987.

During the first half of 1989, both oil and nonoil sectors (national exports and reexports) posted high growth rates compared to the same period in 1988. The rate of increase in overall exports between the two periods amounted to about 42.9 percent, 44.3 percent of which went for oil exports and 27.9 percent for nonoil exports.

It is noteworthy that the growth rate of nonoil national exports between the periods in question was a lot higher than that of reexports: 38.2 percent versus 20.6 percent. This is a sure indication of a recovery, especially in the wake of the Iran-Iraq cease-fire instituted in the second half of 1988.

Regarding imports, their overall value rose from about 1,530.7 million dinars in 1987 to about 1,552 million in 1988, or a rate of 1.4 percent. This increase is attributed to the relative economic boom during this year, especially after the Iran-Iraq war was halted.

In the first half of 1989, imports experienced a large increase over the same period in 1988: 967.1 versus 835.3 million dinars, or a rate of 14.4 percent.

This undoubtedly is a high growth rate compared to 1987 and 1988. It points to an economic recovery trend on the one hand and, on the other, reflects a relative rise in reexports.

Balance of Trade

The change in the value of exports and imports, represented in a 13.3 percent drop in exports versus a 1.4 percent rise in imports between 1987 and 1988, was

reflected in a large drop in the balance of trade during this period, from 773.7 million dinars in 1987 to about 445.7 million in 1988, or a rate of 42.4 percent.

With regard to the first half of 1989 compared to the same period in 1988, notwithstanding the relatively high rate of increase in imports of 14.4 percent, the high rate of increase in exports, 42.5 percent, raised the balance of trade surplus from about 201 million to 524 million dinars, or about 160.9 percent.

The value of Kuwaiti products exported under general place of origin certificates for 1989 amounted to about 56.6 million dinar versus about 47.7 million for 1988, or an 18.8 percent increase. Conversely, the number of certificates issued in 1988 rose from 12,150 to 12,852, or a 5.6 percent increase.

The Gulf Cooperation Council [GCC] countries' share of these exports amounted to 49.1 million dinars in 1989, versus 39.9 million in 1988, or a 22.9 percent increase.

National exports included steel sheds, car chasses and bodies, metal pipes, prefabricated houses, cables, fiber-glass, tiles, insulation material, chemical and plastic products, dyes, insecticides, air fresheners, paper, printed material, leather, soft drinks, sweets, paints, vegetable oils and a number of other food products.

Trade Exchange

With respect to trade with Gulf countries, Kuwaiti exports (including reexports) to GCC [Gulf Corporation Council] countries rose from 69.2 million dinars in 1988 to 79.5 million in 1989, or 15.1 percent, which is contrary to the downward trend that began in 1983 and lasted until 1988.

Kuwait's GCC imports rose from 189.1 million dinars in 1988 to about 200.4 million in 1989, or a six percent increase.

Saudi Arabia was Kuwait's major GCC foreign trade partner, both in imports and exports, followed by the United Arab Emirates [UAE].

The two countries comprise 64.4 percent of Kuwait's exports to GCC countries and about 83.4 percent of GCC imports to Kuwait in 1989.

Kuwait's exports to all GCC countries between 1988 and 1989 followed an upward trend, albeit at varying rates.

Imports from each of Saudi Arabia and Bahrain in 1988 were much higher than in 1987, rising at a 20.5 percent and 22.1 percent rate respectively.

This relative improvement in Kuwait exports to GCC countries for this year notwithstanding, its balance of trade with these countries is still showing a deficit that began after 1986. This is due to several factors, most important of which is the construction and expansion of commercial ports that provide sophisticated freight services, (the al-Jubayl Port in Saudi Arabia, the Dubai

Port expansions, the Jabal 'Ali free zone in the UAE [United Arab Emirates]), and to the growth of a number of industries in some GCC countries, including, for example, the cement industry in Saudi Arabia and the UAE, the reinforced steel industry in Qatar, and the aluminum industry in Bahrain.

Industrial Sector

The report summed up last year's industrial development accomplishments and indicators, as follows:

- New industrial plant expansions: Industrial permits have been granted to four large industrial plants in the food, metal, and chemical industries.
- New industrial vocation expansions: Permits have been granted to 76 new industrial vocations in various industrial fields.
- Existing industrial plant expansions: 13 industrial plants have expanded their industrial production.
- Start of actual production: Actual production at 15 new industrial plants has started.

SUDAN

Professionals Surveyed on Structuring New Government

90AA0191A Khartoum AL-INQADH AL-WATANI
in Arabic 20, 22, 29 May 90

[Article by Samiyah al-Shaykh and Hanan 'Abd-al-Hamid: "In Large-Scale Surveys of Opinion Makers, Experts, and Citizens on Anticipated Political Organization, Consensus Is Political Frameworks of Successive Regimes Failed; Number of Khartoum University Professors Express Opinions and Make Invaluable Contributions for Developing Vision of New Organization"]

[20 May p 5]

[Excerpts] The announcement made last Sunday evening by Staff Brigadier General 'Uthman Ahmad Hasan, the RCC [Revolution Command Council] member and chairman of the political committee concerned with the affairs of the anticipated political organization, is tantamount to a broad invitation to every opinion maker and expert in this area to contribute his opinion without any reservation and regardless of how opposed it is to or harmonious with the opinions of others. This is an invitation based on the revolution's approach of providing the opportunity to the largest number of citizens, specialists, and experts to contribute effectively to the efforts being made to deal with the country's major issues, including the political framework which allows the masses to participate with the leadership in shouldering responsibility and in confronting all of the country's and the citizens' problems.

The announcement defines the channels through which opinions and visions are to be presented by way of all the

information media, by way of the expression platforms, by way of the Political Committee's specialized agencies, and by other means.

On the basis of this announcement, AL-INQADH AL-WATANI has conducted a series of surveys that have included experts, specialists, and various sectors of the citizens. Through the surveys, all those surveyed have unanimously agreed that the past frameworks failed. They have rejected the party plurality experiment and the Socialist Union experiment. They have agreed on the need to develop a new formula that befits the current reality. We begin today with the opinions of a number of Khartoum University professors:

Professor Muhammad al-Wathiq: Head of Khartoum University's Arabic Language Department

[Passage omitted] It is difficult for one to see in the near future a system with a clearcut identity and with which to correct Sudan's current lack of ability to meld into a single crucible and form a unified national entity. Therefore, whatever the nature of the system that will develop—and it will, of course, be a temporary system until tribal fusion is achieved within the melting pot of nationalism—it will be beneficial for this system to have the following:

- An efficient civil service which has its well-known bounds and which is not affected by the change of the system which will be, as I have already pointed out, temporary.
- A national economic development plan over which there is minimum popular consensus (Swiss system).
- A minimum number of laws or constitutions over which there is popular agreement and which, like the civil service, will not be affected by political change that may develop.

It is obvious that the expected system of government in a united Sudan is a mixture of military and civilian rule established on the basis of the abovementioned points. It is regrettable that there is no place, in my opinion, for a system other than the individual ruler system. This might be the ideal system until it melds into the people's crucible. In this system, the individual ruler will rely on the abovementioned minimum limit.

Dr. 'Abdullah Muhammad Ahmad, Khartoum University

The truth is that I am not interested in politics and I do not at all discuss them. But I feel this time that there is real reform. There are signs that make it obvious that there will be comprehensive reform. This reform requires people to work and requires everybody to make an honest effort in his field. I believe that within a short period, we will be able to reap the fruit of what we have accomplished. I believe that what distinguishes this period most is decisiveness and not emotions, as in the past. The truth is that I am optimistic. For the first time ever, there is a complete team working for this country.

It is my belief that there has to be a comprehensive political organization so that it may establish firm foundations for the word "Sudan" which is a new, and not old, word. I believe that only a political organization can establish these firm foundations and achieve rapprochement. I also believe that this organization must fly the banner of Islam. We are a Muslim people before anything else. Our Islam is targeted. We hope to contribute to this issue according to our position at the university. We welcome any national action and we will contribute through it.

Dr. Zakiyah 'Awad Sati, Khartoum University

The fact is that Sudan has experienced several kinds of governments and regimes and dictatorial, civilian, and democratic rule. The democratic rule took from democracy only its name, but not its work or its depth. All these systems of government have proven their failure. Even the left was able to rule at one time and it, too, proved its failure. All these patterns have failed to unite the hearts of the Sudanese and have failed to rally them behind a single banner.

As for the political organization concept currently embraced by the government, I believe that this organization should unite all the Sudanese people by way of congresses. Some of the congresses may be specialized and some comprehensive. I believe that it is the duty of these congresses to select their representatives so that these representatives may elect those whom they deem fit to lead the political action and national action. I believe that this is a very modern cultural pattern. I also believe that it is incontrovertible that the government should put those it deems to be the right people in the right place. There is no better proof of this than the pledge of allegiance given to [Caliph] Abu-Bakr al-Sidiq when the (succession) problem developed. After controversy and argument, our master 'Umar, may God be pleased with him, took Abu-Bakr's hand in his hand at the mosque. As for the pledge of allegiance to 'Umar, he was chosen to be caliph by our master Abu-Bakr al-Sidiq, may God be pleased with him. He told the people: I have chosen 'Umar to lead you. The people answered: He is rough and uncouth and if he is put in charge, he will become more so. So what will you tell your God then? Abu-Bakr answered: I will say that I trusted the affair of the faithful to the best among them. I do not wish to say that consultation among the people in charge of our affairs now is better than it was among the Prophet's companions. But I do wish to say that as long as the government seeks to serve the Muslim nation's interest, then there is no doubt that it will put in charge those men whom it believes will serve the Muslim nation's welfare.

I believe that the present regime is the most ideal regime Sudan has known. I hope that the people will be represented in this entity. People should be selected for their virtue not because they are notable, as was the case under the previous parties. I hope that this regime will tend Sudan's interest primarily. I don't think that a regime with such an objective will be rejected by anybody.

Khartoum University Professor Who Has Declined To Reveal His Name

I believe that the government should first plant its feet firmly before it moves to form any political organization. Second, if the choice is between political stability and economic stability, I prefer that we go for economic stability. We can then take advantage of the economic stability experiment to establish indicators of political stability and what follows it. This is because political organization is nothing but a simple and minor link in political stability. It is not everything. Moreover, if a political organization rises before economic stability is achieved and goods and services are made available, then this will only indicate that the revolution wants to gain a popular facade—a facade which it has already had since the people supported its first step on 30 June [1989]. Third, I believe, and this is a purely personal belief, that the content and theories of the concept of creating a political organization have not yet been given enough attention by the people. Therefore, it is necessary to take advantage of all the available agencies, especially the information media, to explain the concept, its contents, and its significance in this particular phase. This requires time and effort.

Ahmad Muhammad al-Hasan Shannan, al-Jazirah University

I believe that there is an urgent need for the creation of a comprehensive political organization to ensure the existing political regime which is fulfilling the citizens' wishes to participate in construction and development. We must take advantage of past experiences to define the structure and spirit of the political organization. The positive aspects must be embraced and developed because this entity must emanate from the Sudanese society's cultural heritage with its spiritual values, its social structure, and its distinctive identity.

The negative (consultative) and behavioral aspects connected with the previous political regime must be avoided and efforts must be made to purify the action of the current political regime. This political system must be established on the values of justice, consultation, and purity of action in order that it may achieve the objectives of the desired tendency. As for the structural organization, consideration must be given to a most comprehensive representation of all sectors of the Sudanese people.

[22 May p 5]

[Excerpts] In continuation of the large-scale surveys AL-INQADH AL-WATANI has conducted among experts, opinion makers, and the citizens generally on their visions of the form and content of the anticipated political organization, we present in the following the second part of the survey we conducted among a number of Khartoum University professors:

The opinions have unanimously leaned toward federalism as a vessel of government. This choice has come as

a result of the awareness among all sectors of the Sudanese people in the various provinces. Their awareness of numerous issues has dictated that these sectors be given the opportunity to reflect their [different] local characteristics.

It is definite that this difference does not reach the extent of conflict. There is a lot that unites and enriches the general picture which we may call Sudan. On the basis of this, I see that there should be multiplicity, difference, or diversity in the political structure that may absorb these characteristics which have dictated the federal option. [passage omitted]

If we examine our current situation and if we consider how to create a framework that reflects this diversity, then today's Sudan has an Islamic majority which is based on the Sudanese heritage, and I do not mean the Arab heritage or the African heritage. I mean the heritage that combines both the Arab and the African. Sudan is [simultaneously] more comprehensive and more definitive.

If we examine our current situation, we find that the Islamic majority is deep-rooted in civilization, be it the Islamic civilization or the African civilization, and that it has deep-rooted mainstays. Islam may play a major role in forming the political and cultural framework of this majority.

There is a Christian minority that has been influenced by Islam as a political, social, and cultural system and that has lived and continues to live within Islam's framework. There is an agnostic or pagan (sector) that has lived with Islam from the beginning and that continues to live with it and that has influenced it and has been influenced by it in many aspects. Therefore, the political system must absorb all this multiplicity in the sources of the Sudanese culture, not to mention all this cultural diversity.

There are varying degrees of political vigilance and political awareness and there is what is known as the modern sectors. These sectors include a workers sector, an intellectuals sector, and other sectors that have participated in the government. These are deep-rooted, fundamental, and extant sectors. If we examine the predominance of intellectuals among the Funj, we find that they include the judges and the members of Sufi orders. These people assist the state in many ways. Livestock herders and workers have been and continue to be predominant. But some sectors have now become concentrated in certain provinces and centers and have turned into an influential force. Therefore, the anticipated political organization must absorb these sectors and must give them their right to free expression. Economic activities have also diversified, multiplied, and diverged with the divergence of the provinces and the quality of the activities themselves. The system we aspire for must absorb these various economic sectors.

We tried local government in the past. This form of government was abolished under Numayri's administration. We have now felt the need for this form of government and it has been decided to restore it. Local governments are no more than local leaderships that concern themselves with the local policies and manage the people's affairs in their provinces. This type of government is a capable and significant vessel for overseeing and managing the local people's affairs. So these governments are political vessels that represent traditional political centers respected by large sectors of the citizens. The state has recognized these centers which played a major role during the colonialist era. They also played a role in the first parliament.

I certainly am not a supporter of the single party system. We had enough with the Socialist Union experiment. As for the liberal system prevailing prior to Numayri and prior to the salvation revolution, it has been proven to be a failure and not to be convenient for Sudan's circumstances.

We felt the disunity and the conflict which predominated the conscience of the people generally as a result of the conduct of traditional leaderships which behaved differently from what had been hoped from them and which embroiled themselves in battles from which they should have steered clear. Therefore, the system I hope for must disavow that which prevailed under democracy and party plurality.

New forces, namely the youth, have begun to surface now. These forces have lived for a long time far from the political systems, have not been raised under the wing of the political leaderships, and have not developed toward these leaderships the loyalty that we developed. These youth forces reject and condemn what was in the past and aspire for something new. If we restore the old political structures, then we will strike these forces' hopes and aspirations. The new regime must incorporate this youthful spirit.

Sudanese women have also come to occupy a prominent place in society and in politics. They have not only proven their presence but also their strong influence on every aspect of Sudan's life. Therefore, the new political system must accommodate this sector not by establishing a secretariat or an organization for women but by including women as part of the general organization.

Dr. al-Fatih al-Rashid, Law College

If we take into consideration the fact that the Sudanese people's makeup is a partisan makeup, then it is most likely that the political organization being discussed currently will create some sort of balance between the Sudanese people's affiliations within the context of a new political situation that is founded on the concept of democracy but that does not revolve in the sphere of partisanship. Democracy does not mean partisanship and party pluralism under all circumstances. However, there are important elements which we must take into account when speaking of a new system in Sudan.

First, there has to be a popular awareness of nationalism and there has to be a sense of belonging to the country. People must feel that they can speak up. Politics must be understood within the context of nationalism, not outside it.

The second element is the element of domestic solidarity and unity. This requires by necessity some sort of combining of different opinions. This is a difficult task because people's opinions are already made up.

The third element is that political tendency should follow a course that is remote from the oneupmanship and the intrigue that occurred in the past.

If we take these three elements into account, then it will be possible to develop a formula for a political organization and, at the same time, develop an infrastructure within this framework. The base and the political structure will then materialize and can be given any name, be it a party, a committee, or any other name. But the three considerations must be taken into account.

It is important that this new political structure be understood as a structure that represents the Sudanese people's, not government's, entity and that it is dictated by necessity and circumstances. It must be founded on the Sudanese traditions and beliefs. I guarantee that if it is fashioned after a foreign model, this structure will be doomed to failure as of the first instant.

Dr. al-Jili Ahmad al-Tayyib, Law College

We support the revolution with heart and body, whatever the form of this political organization. We believe that there is a true tendency from all sides to support the federal government theory and the theories of the revolution that are founded on new bases and a new philosophy. This is not a question of neutrality, because we truly feel that the revolution is a part of us and that we are not required to just express an opinion or to watch like spectators. It is a matter of principle.

[29 May p 5]

[Excerpts] In continuation of the large-scale surveys we have conducted on the anticipated political organization, we have interviewed a number of lawyers and legists who have contributed their opinions, proposals, and visions of the form and content of this political organization. They have responded to the political announcement made by the RCC's Political Committee, inviting all citizens from the various sectors to participate with their personal convictions and opinions in the search for a new political formula of popular participation in government under the banner of the national salvation revolution. The following is the second part of the survey we conducted among a number of lawyers and legists:

Lawyer 'Ali al-Nasri

[Passage omitted] I believe that one of the political organization's most important objectives is to mobilize

the people's forces within one melting pot. Sudan should be a single, harmonious, and united nation, and the political organization should work toward this end with respect to the majority's rights and without undermining the minority's rights. This must be done on a just and sound basis. The political organization should also seek to alert the masses to their rights and duties in rescuing the Sudanese nation and in pushing the revolution toward achieving its declared objectives of salvation and presenting the country's affairs frankly and sincerely, and without being influenced by the international strategies that seek to humiliate the Sudanese people and to diminish their vanguard role in the Arab family and in the African and international sphere.

Democracy of Organization

Lawyer al-Nasri added: The Sudanese people have learned from their past experiences. They have experienced the humiliations of liberal democracy and the anarchy through which the country was dragged when political sectarianism prevailed and when thought and vigilance disappeared from the political arena. As for the guided democracy experiment in which the May regime engaged, the political organization in that experiment was no more than a trumpet for a regime that had lost its entity, its dynamism, and its efficiency—a loss which hastened that regime's end. The Socialist Union was exploited in an ugly manner. At the outset, it was tantamount to a frightening bogey, which tightened its grip around the people's neck, preventing them from leaving Sudan, unless with its approval, and denying them permits, unless the approval of the Socialist Union's basic unit was obtained first. The new organization must avoid the Socialist Union's pitfalls and its hidden conflicts. The anticipated organization's democracy must be the democracy of consultation, "and they consult on their affairs" and the democracy of promoting virtue and prohibiting vice without fear of hesitation. "They are those who, if we establish them in the land, establish regular prayer and give regular charity, enjoin the right and forbid wrong. With God rests the end and decision of all affairs."

Lawyer Husayn Ahmad 'Abd-al-Rahim

[Passage omitted] In order that the anticipated political organization may succeed, God willing, one must point out a number of elements which, we believe, must be discussed so that we may surpass the past experiments and may enable the political organization to succeed. These elements are:

First, loyalty must belong to the homeland primarily. We must steer the political organization and its leaders clear of supporting sectarian, tribal, racial, or provincial affiliations. This will contribute to establishing the principles of equality before the law and of entitling every citizen to free expression, to liberties, and to other rights. All citizens must have an equal opportunity to hold public office and every citizen must have the freedom of thinking and religious belief. The political organization

must also exert efforts to guarantee basic education. If the government wishes to establish controls for the exercise of rights and liberties, this should be done in accordance with legislation that seeks to protect public order, public health, public security, or public morals.

Second, the government must seek to achieve balanced development in all provinces and must give the more backward provinces priority in the allocation of fiscal appropriations.

Third, by taking what we have already said into account, we can say that the political organization must come into existence in accordance with a political program that promotes the feelings of loyalty and belonging. The government must be committed to this program and must implement it.

Fourth, by establishing the political organization's foundations, the country will be approaching the phase of effective citizen participation in development. The state, the legislative agencies, and the provincial level government agencies can then [rule] in accordance with a federal system approved by all of the Sudanese. We need independent judiciary agencies, especially an independent judiciary who is provided with the requirements of fair trial.

Fifth, as soon as this program is completed and while efforts are being made to draft it, the Sudanese people must be familiarized with all its contents so that the program may have the required impact. The domestic media campaign should be coupled with a large-scale external media campaign.

Sixth, when examining the issue of membership in the political organization, consideration must be given to taking advantage of the past experiments, especially the experiments of the near past which are embodied in the conferences held under the umbrella of the national salvation revolution, and particularly the successful and vanguard experiments connected with expanding membership, so that people may not feel that a certain minority controls the decisionmaking centers.

Lawyer Ashraf al-Fil

Nearly all of us are aware of the crises experienced by the country since its independence and throughout the various regimes. Experience has proven that military government is the ideal, not only in Sudan but in all of the Third World countries which attest to this fact in deed, not just in word. Lieutenant General 'Abbud's regime was better than the party regime that followed it. However, this does not mean that the first party regime to follow the independence was bad. But 'Abbud's regime was better than any other "democratic" regime witnessed by the country. Generally, the democratic regimes which have ruled the country offered nothing but free expression. This, in my opinion, is "deficient" democracy insofar as application is concerned. Free expression is not everything—"he who does not possess his sustenance does not control his decisionmaking."

Therefore, I believe that Numayri's regime was a good regime, despite the negatives that it developed. The national salvation revolution's government continues to make efforts and, along with the citizens, continues to look for the ideal system with which to rule. I say this without any bias toward any political circle or any regime. I do not like party plurality, and this is my personal opinion. Therefore, and in view of all of the abovementioned, I believe that decentralized government is the ideal system for this country with its numerous nationalities. Every province must rule itself autonomously. We must also achieve self-sufficiency, for which the slogan "let us eat out of what we plant and let us wear out of what we manufacture" has been raised, provided that this self-sufficiency achieve fair distribution among the citizens. When the self-sufficient and just society is established, I demand that God's *shari'ah* [Islamic law], not the *shari'ah* of those who want to apply the Islamic law as soon as possible, be applied. The tolerant Islam was revealed to Muhammad, our prophet, may God's peace and prayers be upon him, gradually. Even alcohol was proscribed in three stages. So I hope that the foundations will be firm so that the structure may be even firmer and stronger. Hearts must be purged and must be made ready for the establishment of God's law on earth, considering that God has appointed Adam and his progeny as His vicar on earth. The organization that comes into existence should be a single political organization similar to the Socialist Union, for example, after all the negatives of this union are avoided. This is so that we may have the opportunity to apply God's law, may God be praised and exalted, in our capacity as standing men of the judiciary, who complement the seated men of the judiciary in order that justice and the authority of the law may prevail.

Lawyer Muhammad Hasan 'Uthman Taha

I believe that Sudan's future lies in a federal system based on each province's reliance on its intrinsic resources.

Consequently, I believe that party plurality as a political system will never succeed in the future. We have tried the parties and they have failed. They are doomed to failure. We await the constitutional conference impatiently in order that we may draft an Islamic constitution that governs the majority of the country's people.

Lawyer 'Abd-al-Wahhab al-Tahir

The single organization, such as the Socialist Union, has proven that it is the most efficient system to be applied in Sudan, even though some of those who were in charge of the Socialist Union destroyed it as a concept and a practice.

The party plurality which existed in the past was based on sectarian foundations. There is no party, not even among the progressive parties, that has been founded on a scientific basis. Sectarianism can be defeated only with

an immense effort made by the enlightened class incorporated in these parties. But this class has not been able to accomplish this task because it is the beneficiary of party plurality. Therefore, it will offer nothing. [passage omitted]

YEMEN ARAB REPUBLIC

Prime Minister al-'Attas Interviewed on Unity Issues

Transitional Period Discussed

90AE0117A Cairo AKHIR SA'AH
in Arabic 6 Jun 90 pp 16-17

[Interview with Yemeni Prime Minister Haydar al-'Attas by Usamah 'Ajjaj in Sana; "Yemeni Prime Minister Haydar al-'Attas in First Interview with AKHIR SA'AH: Yemeni Unity Did not Begin in Void; Redemarcation of Borders Is not Preoccupying Our Mind; Our Relations With Neighboring States Are Firm; We Are Living in Phase of Political Maturity; There Is No Place for Leftist and Fundamentalist Radicalism;" first two paragraphs are AKHIR SA'AH introduction; date not given]

[Excerpts] Why were the measures for Yemen's unity accelerated in order to proclaim this unity a full six months ahead of schedule? What are the guarantees to ensure the experiment's success and survival? What are the features and tasks of the transitional period that has been extended to 30 full months? Are there possibilities to reduce this period? Will each regime retain its particularities and characteristics during this period? Why wasn't the popular referendum on the unity and its constitution held on schedule? What about the plan for party pluralism there? What are the dangers of the radical fundamentalist and leftist tendencies to the united state? What are the plans needed to confront the economic problems, especially the infrastructure problems, of the unified state? What about the relations of the new united state with the neighboring countries and are there possibilities for demanding redemarcation of the borders?

All these questions and others have constituted the focus of the interview with Haydar Abu-Bakr al-'Attas, the first prime minister of the Republic of Yemen since it united. We must admit that the man was eager to meet with AKHIR SA'AH despite his ceaseless meetings with the ministers, governors, and high-ranking officials, to finish developing a vision of the start of administrative work in the new state. [passage omitted]

[Ajjaj] I wonder about the features of the transitional period which has been extended from six months to 30 full months. What are the tasks entrusted to all the officials during this period and that need to be completed?

[Attas] This period has been called a transitional period because the plan for the united state included a provision

talking of this period. A period by this name exists in order to provide a full opportunity for the creation of constitutional institutions, considering that the concept of the constitution indicated that all conditions in both parts of Yemen would be ended and that new conditions, systems, and institutions would be established, beginning with the creation of a parliament. But the conditions under which unity is materializing now are different from the conditions under which the constitution was drafted in 1981. At that time, there were no full-fledged constitutional institutions in either part of Yemen. Consequently, this concept was drafted in that manner so that the transitional period may consist of six months during which elections are held to form a new parliament. But unity has been proclaimed at a time when legislative institutions—the Consultative Council and the People's Assembly—have been in existence. With their presence, we have been able to proclaim the immediate birth of the united state with the ratification of the existing constitutional institutions. We have thus avoided the creation of any constitutional vacuum, contrary to the old draft constitution which called for dissolving all the constitutional institutions and for holding new elections.

[Ajjaj'] Does this mean that (each) regime will retain its individual characteristics during the transitional period?

[Attas] This is absolutely incorrect. During the transitional period, there will be a single regime emanating from the merger of the united state. But at the same time, we need this period for the process of fully merging the various institutions. This process requires a major effort, especially in the legislative and economic areas. Our objective is to build the united state on legal and constitutional foundations.

[Ajjaj'] Is it possible that the transitional period will be reduced as the period for proclaiming unity has been reduced?

[Attas] If the elements of unity's drive and momentum actually enable us to shorten the transitional period. But it is my assessment that the united state is in the direst need of utilizing the entire transitional period. It is not an easy task to fully merge the institutions, projects, and laws, keeping in mind that this is the ultimate objective. This objective must be achieved in order to build the united state with its modern institutions that are capable of performing their role and their tasks in a manner that brings about constant growth and that makes it possible to attain the goals of strategic, cultural, and developmental unity and of steadily changing society toward the better.

Tasks of Transitional Period

[Ajjaj'] This urges us to try to find out the features and tasks of the action in the transitional period.

[Attas] In fact, we do face numerous tasks which we have to accomplish during the transitional period. The first of these tasks is, for example, achieving full merger

through the development of unified laws. There are laws here and there are laws there. It is no longer befitting to enact both sets of laws under the umbrella of the united state. It is also unacceptable that we operate within a constitutional vacuum. A large number of bills have actually been drafted and they will be presented to the Chamber of Deputies shortly. This will be one of the steps for achieving full merger in all the various institutions at all levels. The other task is to hold elections. This task requires a major effort which we will begin by organizing political life in the Yemeni society in accordance with article 39 of the constitution which allows the political forces to establish and declare their organizations. Correcting the democratic course and action and creating a new climate requires such major efforts. By the end of the transitional period, we will be able to create a base through which we can hold general elections on complete and sound political and party principles that are compatible with the constitution. This is in addition to a number of other economic and social issues.

[Ajjaj'] Why has it dispensed with holding a popular referendum on the united state's constitution and why has the transitional period been extended to 30 full months? Has this been done at the request of the southern part, as recently circulated?

[Attas] To begin, it is not logical that we complete all the tasks I have talked about in six months. This is necessarily an inadequate period to build the constitutional and legislative institutions, especially since drafting the law regulating the political forces requires a totally adequate period. Moreover, the circumstances have changed since the constitution was drafted. Therefore, the 30-month period is a proper period for completing all these tasks, for establishing a sufficient degree of stability, and for allowing life in the new state to develop.

[Ajjaj'] What about the popular referendum step?

[Attas] It had been agreed that the referendum would be held on or before the 30th of next November. Moreover, the referendum idea was presented when there were no constitutional institutions. Now, we have the Consultative Council and the People's Assembly. They are both elected. The united state can come into existence after (they ratify it). The two assemblies have the powers to enact such a step. To confirm that the people's masses support unity, it has been decided to hold the referendum at a later time. It will be held as scheduled by the November accord in Aden. The referendum will be on the constitution of the united state and not on unity itself because the Yemeni people consider the unity issue their life's cause. Moreover, they have approved unity through their legislative and popular institutions.

[Ajjaj'] It seems that it has been finally agreed that it is necessary to have party pluralism in the Republic of Yemen. May we know the features of this pluralism?

[Attas] Certainly. To begin, specific controls must be established for such a process and they must be included

in the parties law that is to be drafted. In our new experiment, we must take advantage of the experiences of the neighboring countries. It is my belief that the parties' mission is to unite, not divide, the people.

[Ajjaj'] I have heard talk from several levels in Yemen about the dangers of the fundamentalist tendency and the radical left to the united state. How do you view these dangers?

[Attas] I believe that when the parties law, which permits the presence of the various political tendencies and social forces, is passed, an opportunity will be provided to confront leftist and rightist radicalism because these forces will be able to operate normally within the framework of the law. But they will not be given any opportunity if they swerve from the constitution and the law. We are not in a phase that permits us to be preoccupied with such issues. We are in a phase of political maturity and, subsequently, of dealing within the bounds of the law and the constitution.

Economic Problem Is Most Important

[Ajjaj'] We believe that the economic problem will be the main task facing the new government. It is the top assignment noted in the address Lieutenant General 'Ali 'Abdallah Salih, the Presidential Council chairman, delivered at his meeting with the Council of Ministers.

[Attas] We do, in fact, realize that the economic problem is our top priority. It requires a concerted effort made jointly by the government and the people. It is our assessment that the solution begins by developing the type of programs and plans that bring about this large-scale participation in confronting the economic problem. There are circumstances that make us feel optimistic regarding a prosperous economic future for the united state, that is, if we properly exploit the material and economic resources available to us while relying for a while on foreign aid and loans and on aid from the Arab brothers and from all other financing circles. We will intensify our contacts with these circles so that they may provide the financing needed for the five-year plan projects. At the same time, we will invite Arab investors, Yemeni expatriates, and foreigners to participate in implementing projects after the government finishes drafting the laws and eliminating the obstacles that impede the flow of investment to Yemen so that we may present to investors the plan projects that are ready for implementation and that come complete with economic feasibility studies for each project. We include as one of our priorities and our developmental missions the task of developing our intrinsic capabilities in the mining area. Expert assessments agree unanimously that the soil abounds with a vast wealth of minerals and raw materials that need to be exploited. Moreover, tourism capabilities must be developed and road, communication, and service networks must be strengthened.

[Ajjaj'] There remain the infrastructure problems in the new state, especially in Aden where this infrastructure

was damaged by the January 1986 events. Is there a specific plan to alleviate this infrastructure's problems?

[Attas] Five-year plans had been adopted in both the north and the south prior to the establishment of unity. The plan for the south has actually been completed, whereas one more year is needed for the plan in the north to be completed. This is why the government will modify this plan to make it compatible and harmonious with all the unionist transformations and so that all its projects may be fully completed this year. The Ministry of Planning will then begin drawing up a new five-year development plan for the united state.

[Ajjaj'] Are there specific plans to advance Aden as the economic capital of the united state, such as proclaiming it a free zone, especially since some steps had been taken in this direction before unity was proclaimed?

[Attas] We have actually drafted a law to regulate economic life in the region. There are numerous facilities for investors to set up various projects in the free zone. In the united state, we will begin by taking numerous significant steps, especially since all the studies on enabling Aden to perform this role are already prepared. I expect that great economic prosperity and development will be accomplished in Aden when it is transformed into an international free zone. Aden is actually eligible to succeed in this task in light of its unique geographic position. A large part of the area will be set aside for projects, plants, hotels, and tourist and service installations. We will take advantage, in this regard, of the mistakes of the free markets of some Arab countries, which have turned into consumption outlets harming the Egyptian [as published] economy.

Guarantees for Unity's Success

[Ajjaj'] I wonder about the significance of the redeployment of armed forces outside the cities and ask how the process of merging the armed forces was accomplished?

[Attas] A capital is always the state's number one city. Therefore, its inhabitants must be assured of stability and security. The place of armed forces is in camps and not in cities or in the capital. This is why the step moving the armed forces to the camps is the first step in preparing these forces on new bases and in a manner that elevates their standard and provides them with programs to contribute to the economic development plans in a programmed and well-studied manner. We have actually succeeded in building the united forces by merging them in the same formations under a unified command without any difficulty. This is something about which some people were apprehensive. But the weapons and the training systems are the same and all the troops are sons of the same Yemen.

[Ajjaj'] What is your assessment of the Arab reactions, especially the reactions of neighboring countries, to the proclamation of the united state?

[Attas] This step has received the support of the Arab peoples and regimes with their different political systems and tendencies, because the united state is, and this is a fact, an element of security and stability in the region and an added gain to the Arab force in confronting any foreign challenges. We felt happy when all the Arab kings and presidents expressed their welcome to and happiness with this major pan-Arab event. We hope that this welcome will be reflected in the form and style in which the united state's relations are developed with all the Arab brothers.

[Ajjaj'] Do you think that one of the tasks of the new state is to discuss the issue of redemarcation of the borders with the neighboring countries?

[Attas] I wish to emphasize an important fact: The political leadership is not preoccupied with this issue. The relations with the various neighboring countries have now attained a magnificent level of cooperation and development. We are trying to elevate this cooperation and development to an even higher level. The climate of trust and understanding is capable of solving any problems through dialogue, understanding, and efforts for stability and mutual security. We aspire to achieve Arab integration and Arab unity.

[Ajjaj'] How do you view the future relationship between the YSP [Yemeni Socialist Party] and the People's General Congress, i.e. the two parties ruling the two parts of Yemen?

[Attas] Experience alone is capable of establishing new methods for the political relationship between the two organizations. The issue is the subject of discussion and debate now that identical opinions have been developed in connection with numerous positions and issues. This is the only path for Yemen. It is a path that calls for renouncing violence and dictating opinions and for entrenching dialogue and democracy.

[Ajjaj'] Will we see you in Cairo shortly?

[Attas] Certainly, and at the earliest opportunity after numerous urgent issues are ended. Nobody forgets Egypt's pan-Arab role in enabling the revolution in North and South Yemen to achieve victory. We hope that Egypt's role and its bonds, which are mixed with blood, will continue to determine our bilateral relations. Therefore, Cairo will be at the top of my external visits schedule. [passage omitted]

State Institutions Discussed

90AE0117B Nicosia AL-HURRIYAH in Arabic
10 Jun 90 pp 27-28

[Interview With Yemeni Prime Minister Haydar Abu-Bakr al-Attas by Zuhayr al-Jaza'iri in Sana; "Prime Minister of Republic of Yemen Speaks to AL-HURRIYAH on State Institutions, Oil, and Citizen's Needs"; first paragraph is AL-HURRIYAH Introduction; date not given]

[Text] Sana-Aden Dispatch—Immediately after he was assigned to form the cabinet of the united Yemen and during a short recess interspersing the first session of the Yemeni parliament formed by merging the north's Consultative Council and the south's People's Assembly, AL-HURRIYAH interviewed brother Haydar Abu-Bakr al-Attas, the prime minister of the Republic of Yemen and member of the unified parliament, and the discussion dealt with the cabinet program during the transitional period:

[al-Jaza'iri] On what points will your government focus during the coming transitional period?

[Attas] I begin by asserting that the rise of the united Republic of Yemen is a qualitative development and not a quantitative addition to two regimes. Therefore, the government program must give the new state the attention it merits during the coming transitional period.

The Council of Ministers is currently engaged in drafting the program which will be submitted to the parliament during the next 25 days. This program deals, among other things, with the policy of the new state in various areas. The program will contain a fundamental point presented for implementation, namely: The accomplishment of a full merger and building the institutions of the single state. The government will devote great attention to this issue during the coming transitional period. The course of the new state will be tied to the bases on which the institutions are founded.

[al-Jaza'iri] Regarding the state agencies, there are now four fundamental agencies: The Presidential Council, the Consultative Council, the Council of Ministers, and the parliament. What kind of relationship will exist between these institutions?

[Attas] Each of these bodies has specific tasks and responsibilities. We will work with the spirit of a single team to establish harmony and integration among the institutions so that they may move in the same direction. As I have told you, it will be a major task to develop the organizational and legal aspects of these institutions on the basis of the constitution.

[al-Jaza'iri] It seems to us that your work will be very difficult with this broad parliamentary makeup which reaches the point of contradiction.

[Attas] The work will certainly be difficult. But we will operate within the framework of the single state and will let the constitution be the arbitrator. We will deal with any difficulties in their time, but in light of the constitution and of the Chamber of Deputies' resolutions.

Oil, Development, Citizen

[al-Jaza'iri] If we surpass the administrative side, with what will the economic part of your program begin?

[Attas] The axis of the program we will present will be completion of the development plans, particularly the third plan which was drafted for Yemen before unity.

But with some modifications, this plan will be compatible with the new circumstances. We will try to touch the most significant issues that concern the citizen and that meet his needs. The third axis of our action is to draft the fourth five-year plan, which is the next one. These are the most significant axes of our program for the coming transitional period.

[al-Jaza'iri] What, in your assessment, are the most significant difficulties that you will encounter in practice upon implementing this program?

[Attas] The most difficult problem we will face is the weakness of the administrative structures. This problem will impede utilizing available resources and channeling human capabilities in a sound manner. Another difficulty is embodied in the meagerness of resources. This is why the government will exert an extraordinary effort for administrative reform.

[al-Jaza'iri] Speaking of meager resources, can you tell us to what degree you depend on the oil found in the united Yemen?

[Attas] The unification of Yemen has provided us with better opportunities to accelerate utilization of the oil and mineral wealth. This wealth will provide us with better opportunities to develop our economy.

[al-Jaza'iri] What is the size of these resources? Do you have estimates of the oil reserve available in the united Yemen?

[Attas] We have no final estimates. We have a definite estimate that the existing stores are enough to meet the development needs.

[al-Jaza'iri] Can we speak in figures?

[Attas] We cannot offer figures without presenting the surveys that are being currently conducted in all parts of Yemen and in areas not surveyed previously.

[al-Jaza'iri] Who is doing the surveying?

[Attas] Various eastern and western firms. We have varied bids and we will deal with them on the basis of competition in Yemen's interest.

[al-Jaza'iri] At times, it seems very difficult to talk about a single economy and single development, considering the background of the two parts which have differed in their economic tendencies to the point of conflict. For example, there has been an accumulation of capital in the north, whereas the prices of essential goods have been fixed in the south.

[Attas] We are now a single state whose activity is governed by a single constitution. Difficulties will certainly arise during application. But they will be dealt with on the basis of the constitution and of what is determined by the Chamber of Deputies. However, we must find elements of integration in what you see as conflict. If we view the matter from the angle of economic integration and of how to benefit from this integration, then we will have better possibilities to take maximum advantage and to develop the Yemeni people's living standard.

[al-Jaza'iri] We believe that when the unification celebrations are over, the united Yemen will face difficult tasks, including the task of how to persuade the Yemeni citizen that unity takes priority over his daily life, his living standard, and his income level. The president's address contained a paragraph referring to this issue. Are there specific steps to curtail the disparity in incomes, for example?

[Attas] We believe that the united state must focus on the issues that concern the majority of the masses. Our government will work to provide the citizen's basic needs at prices compatible with the majority's income. The government will also work to provide good services that improve the citizen's life. We will work to provide whatever ensures stability for the citizen. We hope that the citizen who has made the historic unity event will continue to play his positive role in developing our capabilities so that the people's forces may elevate the republican system and the united state.

Formation of New Committee, Publication Announced

*90P40071A London AL-DUSTUR in Arabic
21 May 90 p 4*

[Text] Within the framework of political detente in Aden, the Central Committee of the ruling socialist party in democratic Yemen announced the formation of a committee for the fighters of the war of liberation, consisting of 'Ali Muhammad Sa'id al-Bayhani, 'Abdallah Naji Hasan, and Muhammad Ibrahim.

The decision was announced at the end of a meeting that took place on Tuesday the 15th of this month [May]. The committee for the fighters of the war of liberation is responsible for preparing a list of everyone injured or lost as a result of the practices of the ruling authorities following the evacuation of the British forces and the realization of independence.

At the same time, the Ministry of Culture and Information in Aden issued an official statement on publishing a party publication that expresses the views of the Nasirist popular organization party, in response to a request from Mr. Hadi 'Amir, a party member.

REGIONAL AFFAIRS

Article Emphasizes Japan's 'Greater Role' in South Asia*46000126 Lahore THE NATION
in English 11 May 90 p 6*

[Article by Altaf A. Shaikh]

[Text] The recent whirlwind tour of India, Bangladesh, Pakistan, Sri Lanka and Indonesia by Japanese Prime Minister Toshiki Kaifu is an indication of a desire by Japan to play a greater role in South Asia. Last August, Kaifu was selected as 'caretaker' prime minister after two of his predecessors were forced to resign as a result of financial and sex scandals. Kaifu, performed the task admirably and in the recently concluded elections, he has led the ruling Liberal Democratic Party (LDP) to victory. This has enhanced his political stature in Japan and he is no longer considered as 'a puppet on a string'. He is now emerging on the international scene as a key player and a statesman. During his visit to the U.S.A. he established a rapport with President Bush and the economic tensions between the two countries resulting from a massive imbalance of trade (approximately 50 billion dollars) has been eased and an agreement in principle on the steps necessary to reduce the deficit and to avoid a tradewar has been reached. With the Soviet Union, the pace of negotiations for a settlement of the dispute regarding the four Japanese Islands that the Soviets seized in the last days of World War II has been accelerated. Foreign Minister Shevardnadze is due in Tokyo in July-August this year to prepare the ground for a visit by President Gorbachev to Japan sometime in 1991. Furthermore, there has been substantial improvement in Sino-Japanese relations.

The Kaifu visit to South Asian countries and Indonesia is an expression of a desire by Japan to play a greater role in the economic development of these countries and to work towards peace and stability in the region. Japan is today, the largest donor of aid, the biggest creditor nation in the world and the ten biggest banks in the world are Japanese.

During his stay in India Kaifu announced assistance of 100 billion yen (approximately 620 million dollars) an increase of 10 billion yen. In the political field, Kaifu said 'I have been watching with concern the unfolding of the situation in Kashmir'. He strongly hoped that the two countries would try to ease the tension through the exercise of self restraint and try to resolve the issue peacefully through talks in accordance with the letter and spirit of the Simla Agreement. In response Prime Minister V.P. Singh said 'For every one sincere step that Pakistan took to defuse tension, India would take two'.

In Pakistan, Kaifu while announcing a soft loan of 20 billion yen (10 billion yen more than last year) and total economic assistance of approximately 60 billion yen, harped on the same tune, i.e., peaceful solution of Kashmir dispute through dialogue. Prime Minister

Benazir Bhutto responded positively and said that 'the interests of peace would be best served if the Kashmir problem was resolved through dialogue'. Kaifu offered to become a dialogue partner of SAARC [South Asian Association for Regional Cooperation]. (Japan, Canada and the USA are dialogue partners of ASEAN [Association of Southeast Asian Countries] countries.) The proposal is welcome, but first, we should try to rescue SAARC from hibernation which has resulted from the failure to hold the next SAARC summit.

An evaluation of Pak-Japan relations reveals that Kaifu visit follows the 1984 visit by the then Prime Minister Nakasone in April 1984. At present, Japan is the largest donor of economic assistance to Pakistan and is its leading trading partner. In 1988-89, Japan exported goods worth 1,028 million dollars and imported goods worth 589 million dollars. As a result of the wide trade imbalance, according to Pakistani businessmen, during the last ten years 70 billion rupees have been syphoned off to Japan. Japanese investments in joint ventures are low, just below 50 million dollars in 49 projects. Japanese assistance during recent years includes: supply of bulldozers to the Punjab government for land development project; delivery of seven ships to PNSC [Pakistan National Shipping Corporation]; Kotri Gas Power Station; supply of 38 locomotives to Pakistan Railways; delivery of oceanographic survey vessel; prominent current projects on hand include Bin Qasim Thermal Power expansion project; Dreolger procurement project; Pat Feader Canal rehabilitation project, etc. On an average, Japan provides annually, technical training to 100 Pakistanis. In the political field, Japan has supported Pakistan's stand on Afghanistan and provided humanitarian assistance.

In a seminar organised by the Islamabad Council of World Affairs, Professor Sato of Tokyo University, who has worked as Special Assistant to former Prime Minister Nakasone said that within Asia, the South Asian region has stagnated while other Asian regions had made either remarkable progress, (South Korea, Hong Kong, Taiwan and Singapore with per capita income rise in South Korea from 500 dollar to 12,000 dollar during the last 25 years), or were fast catching up (Thailand). According to Professor Sato, this stagnation in South Asia is due to firstly, prevailing tension in the region and resultant heavy expenditure on defence. Secondly, ethnic and religious discord. Thirdly, low level of literacy (20 percent-30 percent in South Asia against almost hundred percent in North East Asia). And over control and regulation of the economy. He stressed the fact that to make progress the South Asian region has to overcome these handicaps and in 'quicktime'. He further pointed out that to secure foreign investments, the region must provide the proper incentives and create a political and economic climate conducive to development. I wish to add that high rate of population growth is another factor which has retarded development in South Asia. Pakistan has one of the highest rates in the world.

The Kaifu visit highlights Japanese political and economic thinking as explained by Professor Sato. While the Japanese who are now channelling approximately 20 percent of their assistance to South Asia wish to increase it, they are working for peace and stability in the region, hence the emphasis on a peaceful solution of the Kashmir dispute 'in the letter and spirit of Simla Agreement'.

Last week we had another distinguished visitor, Wan Li from China. He has also stressed the need to resolve the Kashmir dispute through 'peaceful negotiations'. In this context, I wish to point out that while Prime Minister Benazir Bhutto has on numerous occasions expressed a desire to solve Kashmir dispute through bilateral negotiations as envisaged under the Simla Agreement, so far, no formal written proposal to this effect has been made by her to Prime Minister V.P. Singh. Why not do it now? V.P. Singh informed Prime Minister Kaifu that 'for every one step that Pakistan took to defuse tension, India would take two'. Let him either respond positively to a formal approach by Pakistan or eat his words. If such a gesture evokes a negative response from India, we should be prepared to take the case to the United Nations.

On the subject of economic cooperation, as explained earlier, the present level of industrial cooperation and setting up of joint ventures is in no way commensurate with the level of our economic and political relations. Joint ventures do not come as a matter of course, they have to be sought and potential partners have to be lured by attractive offers, security of investment and a good return on the capital investment. So far, we have been slow or negligent in providing these essential prerequisites, which are necessary not only for Japanese investors, but for all potential investors. Let us try to make up this lapse and shortcoming now. In Japan, a special effort is now being made by ambassador Mansoor Ahmed; we should do the same in other countries, also.

Japan is an economic giant. It is now flexing its political muscles, together with China and to a lesser extent India. It will play a key role in the emerging political and economic order in Asia. To ensure political stability and economic development, we could try to move even closer to China and Japan.

[boxed item] The Kaifu visit highlights Japanese political and economic thinking. While the Japanese who are now channelling approximately 20 percent of their assistance to South Asia wish to increase it, they are working for peace and stability in the region, hence the emphasis on a peaceful solution of the Kashmir dispute 'in the letter and spirit of Simla Agreement'. Last week we had another distinguished visitor, Wan Li from China. He has also stressed the need to resolve the Kashmir dispute through 'peaceful negotiations'.

BANGLADESH

Dhaka, Moscow Sign 3-Year Cultural Exchange Pact

46001622 Dhaka THE BANGLADESH OBSERVER
in English 20 May 90 p 10

[Text] Dhaka, 19 May—The three-year (1989-91) cultural exchange programme between Bangladesh and Soviet Union was formally signed in Dhaka on Saturday, an official Press release said, reports BSS.

The programme was signed under the Education, Science and Cultural Cooperation Agreement signed on 19 December 1972 between the two governments.

Additional Secretary in charge of the Ministry of Cultural Affairs Dr Enamul Huq and Soviet Ambassador in Dhaka Mr V.S. Smirnov signed the papers on behalf of their respective governments, the Press release mentioned.

Under the cultural programme 55 to 60 citizens will be sent from Bangladesh to higher educational institutions in Soviet Union during 1990 and 1991 respectively. The two countries will also exchange delegations for selecting fields of discussions and cooperation in technical, scientific, cultural, youth and sports sectors.

The Press release added that there would be exchange of visits by cultural troupes, media people, librarians, printers and publishers to gain from common experiences. Soviet coaches will also be coming to Bangladesh to train footballers here, the Press release further added.

Developments in PRC-Bangladesh Cooperation, Trade

Deficit Discussed

46001625A Dhaka THE BANGLADESH OBSERVER
in English 14 May 90 p 7

[Text] Twelve joint ventures between Chinese and Bangladeshi entrepreneurs were identified when a 65-member Chinese team headed by Liu Jiyun met the members of the Metropolitan Chamber of Commerce and Industry [MCCI] and discussed possibilities of close cooperation in industrial fields.

A Memorandum of Understanding is expected to be signed before the Chinese delegation leaves for home.

While welcoming the Chinese entrepreneurs, Acting President of the MCCI Samson H. Chowdhury said given appropriate arrangements for buy back at third country exports, joint ventures can help balance the trade between Bangladesh and China.

The Acting MCCI President brought to the fore rising trade imbalance between Dhaka and Beijing. Bangladesh's exports to China increased marginally to U.S.\$30.98 million in 1988-89 from \$26.76 million in 1982-83. On the other hand, Dhaka's imports from

Beijing increased by 64 per cent from 73.24 million to 119.93 million dollars. As a result, Bangladesh's trade deficit has increased by 91 percent to U.S.\$88.95 million, Samson H. Chowdhury noted.

The MCCI chief said, we attach added importance because the first private sector trade delegation from Bangladesh to China was organised by our Chamber last year. Shortly thereafter, we also had the honour of receiving a high-powered Trade & Investment Delegation under the leadership of Mr Gao Gua Zho, Vice-Mayor, Dalian Municipal Corporation. We had extensive discussions with the Dalian Delegation which visited Bangladesh at our invitation and several memoranda of understanding were signed. Unfortunately, as far as we know, hardly any MOU has been followed up in spite of best efforts of our members."

A list of areas selected by Chinese Mission for joint collaboration has also been identified. The list includes mini-cement plant, mini paper plant, glass-ware, electrical accessories, TV picture tube, automobile parts, tannery chemicals, printing ink, electronic toys, knit wear garments, video tape manufacturing, etc.

The Acting MCCI President said, despite unfavourable external environment and resource constraints, Bangladesh has been developing steadily. The demand for goods and services has been increasing at around 8 per cent per annum. Favourable investment climate exists and a large number of entrepreneurs have come with impressive performance record. Any collaborations at this juncture should prove mutually beneficial to the countries, he added.

Investors' Forum Outcome

46001625B Dhaka THE BANGLADESH OBSERVER
in English 15 May 90 pp 1, 10

[Text] The three-day China-Bangladesh investors forum ended in Dhaka on Monday yielding three specific contracts and two agreements on setting joint-venture industries in Bangladesh, reports UNB.

Thirteen Memoranda of Understandings (MOU) for joint investment were also signed during the meeting of investors from the two countries, said an official while summing up the outcome of the forum at its concluding session on Monday afternoon.

BSCIC [Ministry of Industries and Bangladesh Small and Cottage Industries Corporation] Chairman Faizur Razzaq said the three specific contracts were signed on Monday between local and Chinese entrepreneurs for setting a mini-cement plant, an amplifier manufacturing and diesel engine units.

The two agreements on establishing two joint-venture mini-paper mills were also initialled on Monday.

Razzaq said the MOUs were signed for joint investment in the fields of electrical accessories, chain, mechanical toys, picture tube and radio cassettes.

Besides, he said, the investors session also produced 49 Letters of Intent to explore prospects of investment in chemical, electronics and textile sectors.

Both sides also agreed on further discussions regarding 127 joint-venture projects soon, he added.

In the three specific contracts, the Chinese have agreed to share 49 per cent equity, Faizur Razzaq told UNB.

Vice-President Moudud Ahmed, addressing the concluding session of the forum, said the meeting opened up a new vista in the friendly relations between Bangladesh and China, specially in economic cooperation.

Appreciating the turnout of the entrepreneurial deliberations, Moudud hoped China would come up with more suitable investments in Bangladesh to expand the existing bilateral cooperation.

The Vice-President urged both the home and Chinese investors to firm up the agreements with sincere action to make the forum meaningful.

The concluding session was also addressed by Industries Secretary A.K.M. Mosharraf Hossain and Chinese Ambassador Cheng Song La.

The Chinese Ambassador also stressed follow-up action of the agreements. "Materialisation is more important than signing agreements," he said.

A 71-member Chinese delegation representing 13 corporations and 200 Bangladeshi entrepreneurs participated in the forum, organised jointly by the Ministry of Industries and Bangladesh Small and Cottage Industries Corporation (BSCIC).

Besides participating in the forum, the Chinese investment mission also discussed joint-venture possibilities with the members of Federation of Bangladesh Chambers of Commerce and Industry, Metropolitan Chamber of Commerce and Industry and Dhaka Chamber of Commerce and Industry.

Investment Policy Appreciated

Leader of the visiting Chinese investment mission Sun Zhong Qian in Dhaka on Monday said Bangladesh has potentials for attracting foreign capital provided the investment climate is further improved.

His comment came at a meeting between his delegation and the members of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on Monday afternoon.

Qian, however, appreciated the investment policy and incentive package offered to foreign investors.

The Chinese mission is on a visit here in connection with a three-day China-Bangladesh investors' forum which ended on Monday.

Earlier, welcoming the Chinese mission, FBCCI President Alhaj Akram Hossain said any Chinese investment in Bangladesh will yield rich returns.

But he said that "mutual confidants and correct attitude" are essential pre-requisites for any joint collaboration.

Akram told the meeting that a high-level Bangladesh delegation will visit China sometime in October to firm up some agreement reached at the forum.

BSCIC Chairman Faizur Razzaq also addressed the meeting where he briefed the outcome of the forum.

The Chinese investors held an hour-long discussion with members of FBCCI to explore possibilities of joint ventures.

Composition of Jatiya Central Working Committee Noted

46001624C Dhaka THE BANGLADESH OBSERVER in English 16 May 90 pp 1, 10

[Text] President Hussain Muhammad Ershad, who is also the Chairman of the Jatiya Party has recast the Central Working Committee of the party, a party Press release said in Dhaka on Tuesday, reports BSS.

The following is the full list of the new Committee:

Chairman—President Alhaj Hussain Muhammad Ershad.

Vice Chairmen—Mr. Justice A.K.M. Nurul Islam, Mr Mizanur Rahman Chowdhury, MP [Member of Parliament], Barrister Moudud Ahmed, MP, Prof M.A. Matin, MP, Kazi Zafar Ahmed, MP, Mr Sirajul Hossain Khan, MP, Mr A.K.M. Mayeedul Islam, MP, Mr M. Korban Ali, MP, Mr Anwar Hossain Manju, MP, Mr Mahbubur Rahman, MP, and Begum Mamota Wahab, MP.

Secretary General—Shah Moazzem Hossain, MP.

Joint Secretary Generals—Mr Zafar Imam, MP, Mr Mostafa Jamal Haider, MP, Mr Mainuddin Bhuiyan, MP, and Mr A.B.M. Shahjahan, MP. Treasurer—Mr Naziur Rahman Manju, MP.

Organising Secretary—Mr Ruhul Amin Howlader, MP, Mr Mamdudur Rahman Chowdhury, MP, Mr Ibrahim Bin Khalil Chowdhury, MP, and Shah Mohammad Abu Zafar, MP.

Joint Organising Secretary—Mr Zulfiquir Ali Bhutto, MP, Mr Ismail Hossain Bengal, Mr Khalequzzaman Chowdhury and Mr S.M.M. Alam.

Office Secretary Tajul Islam Chowdhury, MP, Publicity and Publication Affairs Secretary Mia Musa Hossain, MP, Joint Publicity and Publication Affairs Secretary Fakhru Imam, MP, Agriculture Affairs Secretary Nazimuddin Al Azad, MP, Joint Agriculture Affairs Secretary M. Harun, Co-Operative Affairs Secretary Shahid

Ahmed Khan Ker, MP, Joint Co-Operative Affairs Secretary Shamim Al Mamun, Sports and Cultural Affairs Secretary Major (Rtd) Hafiz Uddin Ahmed, MP.

Joint Sports and Cultural Affairs Secretary M.A. Reza, MP, Education and Student Affairs Secretary Golam Sarwar Milon, MP, Joint Education and Student Affairs Secretary Shajahan Saju, MP, Information and Research Affairs Secretary Ziauddin Ahmed Bablu, MP, Joint Information and Research Affairs Secretary Md Ishaq, Law Affairs Secretary Kazi Firoz Rashid, MP.

Joint Law Affairs Secretary Sudhir Kumar Hazra, Youth Affairs Secretary Saifur Rahman, MP, Joint Youth Affairs Secretary Mujibur Huq Chunnun, Labour and Industries Affairs Secretary Hasan Uddin Sarker, MP, Joint Labour and Industries Affairs Secretary S.R. Faruki.

Secretary Family Planning and Population H.M.A. Gaffar, MP, and Joint Secretary Family Planning and Population Ashrafuddowala Pahlowan, MP.

Secretary International Affairs Wajed Ali Khan Panni, MP.

Secretary Social Welfare Farid Ahmed, MP, and Joint Secretary Social Welfare Abu Hossain Babla, MP.

Secretary Literary and Cultural Affairs Abdur Rahim, and Joint Secretary Literary and Cultural Affairs Ajmal Huda Mithu.

Members: A.B.M. Ghulam Mostafa, Col (Retd) M.A. Malek, MP, Rezwanul Huq Chowdhury, MP, Sardar Amjad Hossain, MP, Abul Khair Chowdhury, MP, Major (Retd) Manzoor Kader, MP, Prof Abdus Salam, MP, Fakhru Islam Munshi, MP, T.M. Giasuddin Ahmed, MP, Humayun Kabir, MP, Mrs Kamrunnahar Zafar, MP, Begum Hasna Maudud, MP, Begum Mansura Mahiuddin, MP, Sunil Gupta, MP, Nasim Osman, MP, Advocate Delwar Hossain, MP, Ahsan Habib Lincoln, MP, Matiur Rahman, MP, Nurunnabi Chad, MP, Munshi Abdul Latif, MP, Abdul Bari Warsi, MP, Shamsuzzaman Mintu and Anami Prasad Roy Chowdhury.

All the members of the Presidium will also be the members of the Central Working Committee, the Press release said.

Paper Reports Developments in Bangladesh Communist Party

Effects of Perestroika, Glasnost

46001623A Dhaka THE BANGLADESH OBSERVER in English 16 May 90 pp 1, 10

[Text] Proposals to change the name of the Communist Party of Bangladesh (CPB) and restructuring the party's ideology in the context of perestroika and Glasnost in the Soviet Union may be moved in the Fifth Congress of the CPB scheduled to be held in the last week of October this year.

According to a party insider, the presidium and the secretariat members are now clearly divided on the issue and the word 'communism' is likely to be dropped from the ideology of the party when they meet in the fifth Congress. While a section of the Presidium and secretariat members strongly favours the policies of perestroika and glasnost now being pursued by Gorbachev the other section demands strict adherence to Leninism and Stalinism.

Meanwhile Communist parties were facing their worst time in history in eastern Europe. Communist Party in Poland, Bulgaria and East Germany had already been defeated in the national polls and the present Rumanian regime has gone to the extent of banning Communist Party in the country.

The central committee of the Communist Party of Bangladesh which met in the city between 9 and 15 May decided to hold the fifth congress of the party in Dhaka in the last week of October this year. The fifth congress of the party among others will discuss report of the central committee, amendments to the constitution, report of the control commission, report of the audit commission, resolutions and hold elections of the central committee.

The meeting of the central committee of the party decided to observe demand day on 26 May throughout the country. The programme of the demand day includes rallies, demonstration and processions.

The meeting called upon all progressive forces outside the fold of the eight-party alliance to forge unity and launch movement on the basis of common programme.

Political Resolution Drafted

46001623B Dhaka THE BANGLADESH OBSERVER
in English 31 May 90 p 1

[Text] The central committee of the Communist Party of Bangladesh (CPB) on the second day of its six-day meeting in Dhaka on Wednesday finalised a draft political document on the party's future strategy, sources said, reports UNB.

The document will now be circulated among the party members for eliciting their opinion before the party's fifth Congress, the highest body to approve the strategy.

The fifth Congress of the CPB is scheduled for the last week of October.

The sources close to the meeting said the draft had taken into consideration the democratic reforms sweeping the international communist movement and the objective situation at home.

They said the draft has laid emphasis on democracy, social justice and national development as the party's immediate political goal, indicating a major shift from its strategy of national democratic revolution adopted by the fourth Congress.

The document also stresses on privatisation and market forces for growth of national economy.

A senior member of the party, speaking on condition of anonymity, said the future policies of CPB will be "left-oriented, but flexible." He did not elaborate.

Paper Comments on Kashmir, Reports Reaction

Deputy Prime Minister's Statement

46001619A Dhaka THE BANGLADESH OBSERVER
in English 25 May 90 p 1

[Text] Deputy Prime Minister [DPM] and Secretary General of Jatiya Party [JP] Shah Moazzem Hossain Thursday expressed his grave concern at the escalation of tension between India and Pakistan over the Kashmir issue, reports BSS.

In a statement, Shah Moazzem said tense situation and destruction of property are not describable to anybody because he said alarming situation arises from exciting incidents.

He said the consequence of war would hinder the economic development and standard of living of the peoples of the two countries and disturb peace and stability in this region.

The JP Secretary General said "We cannot but be anxious at the violation of Human Rights in any part of the world." He said people of Bangladesh believe in peaceful co-existence but not in war.

A new political outlook has emerged today in the world shunning military tension and confrontation for establishing co-existence, peace and stability, he said adding, problems should be solved through discussions and dialogues, in the light of the new spirit and outlook.

The DPM said, as members of the SAARC [South Asian Association for Regional Cooperation], Pakistan, and India had a great role in maintaining peace and stability in the South Asia region for upgrading the standard of living of the people. But, the prevailing situation in the two countries would jeopardise the SAARC spirit and disturb implementation of different cooperative projects, he said.

Communist Party's Concern

46001619B Dhaka THE BANGLADESH OBSERVER
in English 25 May 90 pp 1, 10

[Text] The central secretariat of the Communist Party of Bangladesh (CPB) expressed concern and deep condolence at the killing of Moulvi Farook Mohammed, the religious leader of Kashmir. The CPB secretariat demanded punishment to the killers of Moulvi Farooq after a proper trial.

The CPB central secretariat also expressed anxieties over the escalation of tension between Pakistan and India over the Kashmir issue and said that it would destabilise

peace in the south Asia and halt progress and prosperity of the countries of the region. The party called for defusing tension between Pakistan and India and resolving the issues peacefully on the basis of Simla agreement.

Visa for JKLF Leader?

46001619C Dhaka THE BANGLADESH OBSERVER
in English 23 May 90 p 1

[Text] Bangladesh will act independently in taking any decision on the question of issuing visa to the Jammu and Kashmir Liberation Front (JKLF) leader Amanullah Khan, an official source said in Dhaka Tuesday, says UNB.

He said this when his attention was drawn to a news item, published Monday, that New Delhi had requested Dhaka not to grant any visa to Amanullah Khan, the JKLF chief, wanted by the Indian authorities on some criminal charges.

"Any country can make any request but Bangladesh will act according to its own judgement, the official said.

Police in India had been looking for Khan on charges of killing in the troubled Kashmir valley, according to Press reports.

The Kashmiri leader was reportedly visiting different North American and European countries to drum up support for JKLF. Khan was already in the United States and recently made a trip to Holland, newspaper reports said.

The Indian Government was reported to have had approached the United States to extradite Khan who, according to Indian Press reports fled to Holland.

Anticipating that Khan might ask for a transit through Bangladesh, New Delhi recently wrote a letter requesting Dhaka not to grant him visa.

Political Parties' Reaction

46001619D Dhaka THE BANGLADESH OBSERVER
in English 23 May 90 pp 1, 10

[Text] Different political parties in separate statements on Tuesday expressed grave concern over the killing of Moulvi Mohammad Farook, a popular religious leader of Kashmir.

The struggle of the right of self-determination of the people of Kashmir cannot be stopped by acts of repression and killing, they added.

Bangladesh Muslim League (Kader) in an emergency meeting on Tuesday with party chief Kazi A Kader in the chair, strongly condemned the killing.

Muslim League demanded action against India for the gruesome killing of the nationalist Kashmiri leader and

continuous repressions on the people of Kashmir. It also drew the attention of the United Nations to help solve the Kashmir issue.

Messrs Abul Hasnat, Secretary General of Bangladesh Democratic Party, A. Matin, Chairman of Labour Party, A.S.M. Solinsan, Chief of Krishak Sramik Party, Sharafat Hossain of Republic Party and Shawkhat Hossain Nilu of Pragatishil Jatiyatabadi Dal in a joint statement expressed resentment over the incident.

Bangladesh Nezam-e-Islam Party while condemning the incident said that late Farook would be remembered for his contribution.

'Rethink' Situation Urged

46001619E Dhaka THE BANGLADESH OBSERVER
in English 17 May 90 p 5

[Editorial]

[Text] Amid charges and counter-charges, charges and denials by one country or the other plus the clashes between Indian Security Forces and the agitating Kashmiris a bilateral Indo-Pak situation is fast taking on symptoms that may plunge them into yet another armed conflict. Rumour and gossip and motivated media activity might also, as it seems to have, start operating to heighten the tensions across the borders and thus make edgier the relations between India and Pakistan. Intermittent firing in the Poonch sector points to things getting worse by the day.

Much of these was however assumed to have receded with both Pakistani and Indian leadership explicitly declaring that they did not want war. Diplomatic activity since stepped up by both sides in a bid to take the issue to the international audience is quite in place. This should help more to deescalate the tension making the risk of a war increasingly diminish.

But much of these while, hopefully, holding for some-time, more by wary leadership effort on either side, is likely to break down should some fundamental questions be left unanswered for long, and that by Indian and Pakistani leaderships agreeing to act jointly.

The most urgent of these seems the one question around which the most explosive part of the present crisis seems to revolve: to find out how far the uprising in the state is indigenous, or whether Pakistan has a hand in it which Pakistan emphatically denies. This could be done through an efficient, agreed mechanism, among other feasible ones, say, a team of journalists of both countries agreed to by both governments or a third neutral country. That in fact is the way, analysts of the Kashmir dispute outside both the countries (maybe some insiders as well), have starting looking at it and consider this to be the most sensible of marginalising the causes for violence by one side (Kashmiris) and a harsher response by the other, which is what is happening now.

To be sure, it will be a very much different perspective in which to consider Kashmir once the issue is found, through investigation, to be one involving chiefly the Kashmiris. To go by some objective account given by some prestigious international journal (THE ECONOMIST) much of the story of Pakistan being involved looks overblown, the reporter having seen very few signs at field to support it. Once this is established, the course of a political solution this might reasonably open up, would demand of the Indian leadership to do some hard thinking, perhaps less along the traditional possessive lines than up-to-date contemporary ones of which vibration is felt across much of the world.

The rethinking warranted by the current drift of things in Kashmir could perhaps be fruitfully attempted more in the light of post-partition history and in line with Mr Nehru's "reiterated promise on 21 Nov. 1947 in Indian parliament that the people of Kashmir would be given the chance to decide their future under the supervision of an impartial tribunal such as the United Nations Organisation," quoted by V.P. Menon in his book *Integration of the Indian States*. A possible compromise formula enshrining the spirit of such past history and the settlement of Indo-Pak disputes through peaceful means proviso of the Simla Agreement may point a way out.

While such a course of action, past the grounds for direct confrontation between Pakistan and India, could help pave the way for a possible political solution it could, given serious long-term thoughts, also bring the two countries closer, and be as well a strong new-found reason for both not to escalate the mutual arms buildup contest at the cost of their poor millions. The fact is over the trouble that has broken out in Kashmir in this late turbulent 1980s armed confrontation or the resurged bitterness between India and Pakistan, in the opinion of right-thinking Indians and outsiders, is immensely avoidable, besides blocking the way to durable peaceful coexistence in this subcontinent.

Asian Development Bank Concern Over Bangladesh

46001618 Dhaka THE BANGLADESH OBSERVER
in English 24 May 90 pp 1, 10

[Text] The Asian Development Bank [ADB] has discouraged the costly subsidies to public sector undertaking in Bangladesh and stressed the need for greater mobilisation of domestic resources.

The Bank in its recently released annual report for the year 1989 stated that the Bank was also seeking to enhance the efficiency of economic system enlarging the scope of market forces and the private sector. The Bank expressed concern over slow implementation of projects and emphasised the improved utilisation of existing capacities.

The Bank asked Bangladesh authorities to deregulate the irrigation sub-sector and to improve the implementation and to reduce the backlog of ongoing water resource projects.

The Bank provided Bangladesh an amount of U.S.\$338 million in 1989 as against \$268 million in 1988. The total fund provided to Bangladesh stood at U.S.\$2.798 million as loan and finance for 77 projects.

Of the total fund provided to Bangladesh only \$11.4 million was from Ordinary Capital Resources (OCR) while the rest 2.787 million was from Asian Development Fund (ADF).

Of the six loans approved for Bangladesh in 1989, two projects were in agriculture sector and one each in energy transport industry and non-fuel minerals and urban development. In the agriculture sector, the Upazila afforestation and nursery development project will increase the production of biomass fuel and help improve the institutional capability of the department of forestry and upazila agencies to implement a self-sustaining nationwide forestry programme, the Bank report hoped. The project would benefit underprivileged communities in rural areas who would have access to land through controlled farming as well as most of the final products grown under the project.

The horticulture development project is aimed at enhancing the know-how and institutional capability for horticulture research and extension and organize producers in groups to make the services more cost effective.

The Dhaka urban infrastructure improvement project has been so designed that would benefit several hundred thousand low-income dwellers in Mirpur, a suburb of Dhaka, through improved municipal services such as water supply, sanitation solid waste management, road and street lighting and market and community centres, the report said.

Meanwhile, the eighth power project will provide additional power transmission and distribution facilities in the greater Dhaka area to meet the expected load growth up to 1994, improving the security of the power supply systems and the operational efficiency of the executing agency.

The second flood damage restoration project financed by the Asian Development Bank is expected to speed up the repair and reconstruction of highways and railway damaged by 1988 floods. This sectoral approach of the Bank is consistent with the Third Five [Year] Plan (TTYP) of the Government of Bangladesh.

New Student Organization Formed at Dhaka University

46001620 Dhaka THE BANGLADESH OBSERVER
in English 23 May 90 pp 1, 10

[Text] A new student organisation was floated Tuesday with the sponsors saying, it will mobilise the students

away from party politics and work for creating healthy academic atmosphere on the campuses, reports UNB.

The Dhaka University-based organisation has been named Bangladesh Student Forum with Iqbal Hossain Raju, former leader of the now-dissolved Natun Bangla Chhatra Samaj, as its convenor.

Natun Bangla Chhatra Samaj was the student front of Jatiya Party. After dissolving it few years ago President Hussain Muhammad Ershad promised he will not set up any student front of his Jatiya Party.

Raju, announcing his organisation at a Press conference at National Press Club, said it will work for creating proper climate for education and knowledge, keeping itself above party politics.

Replying to a question he said the forum will not act as the wing of any political party.

Raju, however, told another questioner that they have been inspired by President and Chancellor of the universities President Hussain Muhammad Ershad.

But our organisation has no affiliation with President Ershad's ruling Jatiya Party, Raju said with Syed Golam Murtaza, Member Secretary of the forum at his side.

"Our organisation should be seen as a non-party platform in which students from all shades of opinion can participate" he said.

Raju claimed that a number of leaders from Bangladesh Chhatra League (H-A), Jatiya Chhatra League, Chhatra League (N-S) and BSD [Bangladesher Samajtantrik Dal] backed Chhatra League are members of his forum's convening committee.

He did not say who the leaders coming from the opposition backed student organisations are.

The full list of the convening committee with the political background of its members will be announced by 26 May, he said.

Raju said his forum will participate in the 6 June DUCSU elections and the list of its candidates will be announced soon.

He claimed that some prospective DUCSU [Dhaka University Central Student Union] election candidates from other student organisations are also on the convening committee of his forum.

The forum believes that the demands of the Dhaka University students can [be] realised through negotiations with the authorities including the Chancellor and the Education Ministry.

INDIA

Correspondent Reports 'India-Bashing' in U.S. Congress

46001605A Calcutta THE TELEGRAPH
in English 13 May 90 p 4

[Article by Seema Sirohi: "India Bashing Attains New Heights on Capitol Hill"]

[Text] Washington, May 12: In an unprecedented and coordinated attack on India's handling of the Kashmir and Punjab problems, six US Congressmen this week gave a new meaning to verbal attacks and propaganda against a foreign government.

They unleashed a barrage of criticism, a series of allegations, a result card so blotted with sins so as to make the Mafia men blush. After an hour of rhetoric full of unsubstantiated claims, the six right-wing men had left 10 pages of the congressional record filed with their spewings. There were some old actors and some new entrants to the arena of India bashing. The event was organised by Congressman, David Dreier, a Republican of California.

The one-sided attack was under what is referred to as a "special order discussion" under the rules of the House of Representatives. Once a Congressman gets permission from the Speaker, he or she can speak on the subject while "yielding" time to his friends who also add their voices. While it is called a discussion, it is anything but that. Not a voice was heard from anyone defending India during the 60 minutes, simply because it was Mr Dreier's prerogative to decide who would speak.

Several gory details of alleged atrocities were recounted by Mr Dreier and his friends—Dan Burton of Indiana, Ben Blaz of Guam territory, Dana Rohrabacher and Wally Herger of California. They spoke on behalf of the Sikhs and the Kashmiris and against the Government of India. They called the violations of the human rights "reprehensible and horrible." Quoting directly from the spewings of Gurmit Singh Aulakh, the self-styled president of "Khalistan," they claimed that 80,000 Sikhs had been killed since the raid on the Golden Temple. Mr Blaz, who is a non-voting member, accused Prime Minister V. P. Singh of provoking war. "Khalistan is the only solution to the Punjab problem," he declared.

Mr Burton, a cold warrior of unparalleled passion, said he had "an entire file folder filled with examples" of atrocities committed by Indian police and Army personnel. "There are thousands, literally thousands of examples," he said, before reciting some of the most damaging ones. He said Indian troops attacked a peaceful protest rally staged by girl students in February in Srinagar and attacked the students. Mr Burton said Indian "occupation" forces shot and killed a seven-year-old boy in "Indian-occupied Kashmir."

The winner was still to come. The gentleman from Indiana claimed loudly and clearly that Indian troops cut into

pieces the bodies of 37 Kashmiris and strewn these pieces over a wide area. We said this was atrocious and unthinkable. He went on to cite other examples from Punjab and concluded that these details should convince the other Congressmen who do not yet support such tirades to change their minds.

Mr Dreier talked of rape of young girls in Punjab and to complete the picture, also condemned India for giving humanitarian aid to the Afghan regime. "I would like to send a message to the new Prime Minister of India. I think Mr Singh could be one of the most popular leaders India has ever had if he would forthrightly say to the people of that country: We are going to do away with terror."

The entire special "discussion" was replete with references to articles written by US correspondents based in India. There were six articles that were included fully into the Congressional Record, including two by Indian reporters. An American correspondent known for his flowery style wrote about a Kashmiri father watching his son being beaten by Indian soldiers.

Taking his cue from other Californians, who are rich with Sikh farming money, Mr Wally Herger said it was time for glasnost to reach India. It was time for Amnesty International to be allowed inside "the world's largest democracy." Mr Herger was also perturbed that India still honoured Lenin by erecting statues of him.

The anti-India din is growing louder on Capitol Hill and it is unclear whether the Indian external affairs ministry considers it a serious enough problem to tackle it in a systematic manner. There has been no comprehensive approach that one can easily discern. Unrealistically but typically in the manner of Indian bureaucratic thinking, a single Indian embassy official is expected to tackle the entire US Congress with a little help from the ambassador as and when he is not being replaced.

Despite repeated "reviews" of whether a lobbyist should be hired to deal with the Congress, no decision is forthcoming. Even an Amanullah Khan feels he needs a lobbyist in this town of vested interest. He has fired one of the topmost Republican lobbying firms. Analysts here are convinced that India needs professional help to secure its interests or be faced with a repeat performance of India-bashing. Pakistan's active lobbyist has managed to avoid criticism of Prime Minister Benazir Bhutto despite her poor performance.

UN Report Says Human Rights Violated in Punjab

46001582A Calcutta THE STATESMAN
in English 9 May 90 p 1

[Article by Sanjeev Gaur: "Human Rights Violated in Punjab"]

[Text] Chandigarh, May 8—The U.N. Centre for Defence of Human Rights has passed several strictures against India for the violation of human rights in Punjab.

Its recent report, "Violations of Human Rights of the Sikh Community in India", has been sent to the Punjab Government by the Union Home Ministry for comments. The report has been prepared by the president of the organization.

In its introduction, the report says: "It (the situation in Punjab) provides a lamentable catalogue of the atrocities being committed by the Government of a country which prides itself on being the largest democracy in the world. Those of us who have an intimate association with Punjab know only too well that as the Indian authorities fail to contain the militant elements in the Sikh community, they are resorting to state terrorism of the worst kind to suppress a brave community and its just aspirations".

The report goes on to add: "In the so-called free world, the whole area of human rights had in recent times become completely politicized. It is now all about spheres of influence...In the world of international politics, the argument about human rights in any country always revolves around political expediency and trade contracts, with human beings used as barter or bargaining counters".

Using this as the background, the report says: "In this climate it is not, therefore, surprising that Sikhs have lost out entirely in the propaganda war which the Government of India is waging relentlessly as cover up for its dastardly record of human rights and to malign a brave community".

Commenting on the subversion of Constitutional safeguards, the report says: "Within the short space of 42 years, India has amended its Constitution 64 times. A country's Constitution represents a sacred pact between the rulers and the ruled. Tinkering with India's Constitution in this way raises a serious doubt about its sanctity. India has a comprehensive network of legislation to deal with those who threaten its security and integrity. The notorious National Security Act is being used to curb all legitimate opposition and to hold without charge or trial an indefinite number of Sikhs and members of other minority communities whom the Government finds unpalatable.

"The Terrorist and Disruptive Activities (Prevention) Act is being used indiscriminately to deny fundamental rights and legal safeguards to detainees and defendants. Allegations of torture, deaths in custody and 'disappearances' are commonplace. Punjab is a police state where all civil and legal rights have been abrogated and where extra-judicial killings in false police encounters are the order of the day".

The report concludes with the observation: "As yet not a single Hindu has been detained under these draconian laws. Is there then one law for the minorities and another

for the Hindu majority? Can a Hindu never be a militant, terrorist or secessionist under Indian law? Is the mass murder of Sikhs, rape of Sikh women and pillage of Sikh properties in the post-Indira Gandhi assassination riots and since to remain forever unpunished under India's secular laws? Will the international community never speak out against these outrages? For the sake of Punjab, these questions must be answered with utmost urgency."

The report has highlighted seven separated cases of violation of human rights in Punjab in 1989 during the Rajiv Gandhi regime. The following are some of them:

The first relates to the detention of 780 people without trial in Amritsar Central Jail in 1989.

"Undertrials complained that when they were granted bail by court, the police would rearrest them in some new cases. Other undertrials, though granted bail, chose not to leave the jail as they could not meet the demands for money made by the police. Several undertrials were languishing in jail because the police had delayed issuing challans against them."

The second case relates to the "torture of a 50-year-old woman. Surjit Kaur, by the Amritsar police in July 1989 on charges of harbouring some suspected men". The report points out: "Though charges against her are yet to be proved, no case was registered against her after nine days of illegal detention which she was put through inhuman torture—boxes on the head, hit on the head and forced into shock treatment".

The third case related to the torture of two young women: Gurdev Kaur and Gurmeet Kaur of Amritsar. "The detention, torture and subsequent release of Gurdev Kaur and Gurmeet Kaur by the police focuses attention on a growing problem in the State—the problem of police excesses. At the same time, the episode unfolds the extreme suffering of these women whose only crime is that they are married to men who are alleged to be members of the Babbar Khalsa group.

According to sources in the Punjab Government, the report of the U.N. organization has been received by the Government from the Union Home Ministry. It is understood that top officers of the Punjab Police are at present engaged in preparing a reply to be sent to the Centre on the specific cases highlighted in the report.

Report on V. P. Singh's Inflight Press Conference

46001576A Bombay THE TIMES OF INDIA
in English 14 May 90 p 1

[Article: "No NF Compromise on Principles: VP"]

[Text] On board an IAF [Indian Air Force] Plane, May 13 (PTI & UNI). The Prime Minister, Mr Vishwanath Pratap Singh, reiterated today that the National Front government would not compromise on its principles while trying to solve the country's problems through consensus.

Mr Singh was talking to newsmen on board an Indian Air Force plane, while returning from a three-day tour of Andhra Pradesh, Karnataka and Maharashtra.

"How can it be," the Prime Minister quipped, when asked if the support by BJP [Bharatiya Janata Party] and the Left parties to the government was unconditional. At the same time, he pointed out; these parties have not brought pressure on the government to relax its principles.

The government's stand on article 370, Muslim personal law and the arrest of the Sankaracharya of Dwarka was a clear indication that the National Front had not deviated from its principles, Mr Singh said.

Saying that the situation in Kashmir had improved greatly, the Prime Minister said the government wished to start the political process in the state soon.

At the same time, Mr Singh made it clear that there was no room for terrorists and secessionists and the government would deal with them firmly.

The government, he said, had a human approach towards the Kashmir problem and it was anxious that the common man in the state was not put to avoidable hardships.

"If we fail to take care of the average citizens, it would leave the field open for terrorists and anti-national elements to exploit the situation to the detriment of national unity and integrity," he said.

The government was taking every possible step to instill confidence in the minds of Kashmiris that it was aware of their problems and taking corrective steps.

When his attention was drawn to the Pakistani Prime Minister, Ms Bhutto's proposed visit to Islamic countries to muster support for including the Kashmir issue in the forthcoming meeting of the Organisation of Islamic Countries (OIC), the Prime Minister said India was in contact with various nations on the Shimla agreement relating to Indo-Pakistan relations.

Referring to Ms Bhutto's move to send envoys abroad to press for plebiscite in Kashmir, Mr Singh said the government had already taken steps to counter the Islamabad action.

"We contacted many countries in this direction and the response has been tremendous", Mr Singh said. The Soviet Union has always supported India on the Kashmir issue and now even the U.S. has publicly stated that the problem should be solved through mutual dialogue, which was the essence of the Shimla agreement.

Besides, a number of countries have appreciated India's stand on Kashmir that the problem should be tackled in letter and spirit of the Shimla agreement, he said.

Mr Singh pointed out that even the USA had rejected Pakistan's plea for a plebiscite to resolve the Kashmir

issue. They are also in favour of finding a permanent solution based on the Shimla agreement. The USSR has constantly been towing the same line.

Replying to another question, he said the situation in Jammu and Kashmir was improving. The main task now is to muster local support to see that secessionists from across the border do not exist in that sensitive border state. For this, he reiterated the government's resolve to adopt a humanitarian approach to solve the various problems facing the people of Kashmir. Unless this was done, the extremists would continue to have an upper hand with local support, he cautioned.

About Amnesty International's charges of human rights violation in India, Mr Singh said these were "baseless". It would have been better if the organisation had gone first to Karachi where human rights violation was taking place every day, he said.

On Punjab Mr Singh said that the Congress government had complicated the problem by ignoring the importance of consensus and by taking decisions according to its own whims and fancies.

On the economic front, Mr Singh said the government would make every endeavour to see that there was no need to go in for any fresh IMF loan.

Indian, Pakistan Delegates Clash at UN Session

46001570A Bombay THE TIMES OF INDIA
in English 19 May 90 pp 1, 22

[Article: "India, Pakistan Clash at U.N."]

[Excerpts] United Nations, May 18 (UNI). India clashed strongly with Pakistan at the United Nations last night over Kashmir, warning Islamabad, that its demand for self-determination for "what is a part of my territory" was "pernicious and dangerous."

The ambassador, Mr Prabhakar Menon, India's delegate to the U.N. economic and social council (ECOSOC) also "categorically" dismissed the Pakistani envoy, Mr Nasim Ahmed's "absurd and outrageous" claim that the people of Jammu and Kashmir "are living under repression." [passage omitted]

Earlier, addressing the ECOSOC's regular session on human rights, the Pakistani delegate spoke of "the gross violations of basic human rights and fundamental freedoms in the Indian occupied Jammu and Kashmir."

Mr Ahmed claimed that as a result of India's policy of suppressing the popular uprising for self-determination in Kashmir, Pakistan-occupied Kashmir is beginning to receive an influx of refugees "who have brought gruesome stories of Indian atrocities."

Mr Ahmed claimed that so far 6,000 refugees had reached Pakistan-occupied Kashmir, but more were

expected. "With the melting of snow and reopening of routes, more Kashmiri refugees are likely to "flee" the unprecedented repression."

Exercising his right of reply, ambassador Menon, India's deputy permanent representative to the U.N., said, "Deliberately overlooking the fact that Jammu and Kashmir is an integral part of India, the Pakistani representative asked for self-determination for what is a part of my country."

"This", the Indian delegate declared, "is a pernicious and dangerous move. If accepted such a concept could threaten international stability, sovereignty and political identity of many nations around the world."

"Within Pakistan itself," the Indian delegate reminded his Pakistani counterpart, "various linguistic groups have been demanding self-determination for many years now."

"We presume that the Pakistani delegation has kept in mind the serious implication of their insidious doctrine for their own country and for many other countries in the world."

Although Mr Menon did not specify, he appeared to be alluding to Pakhtunistan and Sind.

Barring a couple of paragraphs on Afghanistan and South Africa, Mr Ahmed's nine-page statement almost entirely focussed on Kashmir. Mr Ahmed's statement came the same day as a letter by the foreign minister, Sahabzada Yaqub Khan to the UN security council president, Mr Claus Ttrudo of Finland along similar lines.

In its escalating bid to internationalise the matter, Pakistan appeared to be perilously close to going against the spirit of the Simla agreement, which binds both sides to prevent acts detrimental to the maintenance of peaceful and harmonious relations and prevent hostile propaganda against each other.

Mr Ahmed claimed that the people of Jammu and Kashmir had been denied "their right to self-determination for more than four decades" and "have risen against the Indian occupation."

The Pakistani official accused "the Indian occupation forces" of meeting such demands with "extensive force" resulting in large-scale deaths and injuries to the Kashmiri people."

In rebuttal, Mr Menon said, "My delegation is not inclined to engage in a sterile debate with Pakistan in this chamber, but certain unwarranted, unacceptable and tendentious references to India in the statement of the Pakistani delegation earlier this afternoon oblige us to set the record straight."

"It is well-known that Jammu and Kashmir is an integral part of India and the right of self-determination cannot be appalled to integral parts of an independent and sovereign state.

The Pakistani delegate asserted that India's stance about interference was "incorrect" as Kashmir was a disputed territory according to relevant UN resolutions to which India is a party.

Mr Ahmed also said that drawing parallels between Kashmir and linguistic groups in Pakistan was misleading and dangerous because there is no uprising there as in Kashmir and no disputes about those territories exist before the UN.

Mr Ahmed repeated denials that his government is backing terrorism in Kashmir and its offer for a neutral international inspection to verify these allegations. The offer was rejected by India as an attempt to involve a third party.

In reply, the Indian delegate said his delegation was "disappointed at the attempt by Pakistan to prolong this debate, incited by Pakistan, and one that instead of contributing to harmonious relations only vitiates the atmosphere for reasonable action and attempts in vain to derail my country's commitment to goodneighbourly relations in our part of the world."

"The crux of the problem remains the Pakistani interference in our internal affairs. Also my country's record on human rights remains unblemished in spite of today's devious attempts to misrepresent it," Ambassador Menon said.

Taking the floor once again, Mr Ahmed said Pakistan did not intend to vitiate the atmosphere. It had been vitiated by India's suppression of human rights and of tyranny in Kashmir.

Mr Ahmed questioned India's position that the will of the people of Jammu and Kashmir had been determined through elections held over the past 43 years and that by participating in the elections they voted in favour of accessions to India.

This is probably the first time that the Pakistani delegation has raised Kashmir in an ECOSOC meeting. Most delegates focus on internationally recognised problems such as apartheid. [passage omitted]

Protest Against Pakistan Aid to Punjab Terrorists

46001606A Bombay THE TIMES OF INDIA
in English 16 May 90 p 9

[Article by Dinesh Kumar: "Pak Indifference on Border Irks BSF"]

[Text] Wagah, May 15. The Border Security Force (BSF) today lodged a strong protest with its Pakistani counterpart, the Pakistani Rangers, on the issue of unabated blanket assistance being provided by the latter to Punjab terrorists.

The BSF also protested against the indifference of the Pakistani Rangers and outright rejection of written protests on these issues, their nonseriousness about the ongoing simultaneous co-ordinated patrolling and lack of response to flag meetings called from time to time by India on the border.

The protest was conveyed by the inspector-general, BSF (Punjab Frontier), Mr Prakash Singh, to the director-general of Pakistani Rangers, Maj-Gen Naseer Ahmed Khan, on the concluding day of the two-day Indo-Pakistan bio-annual meeting held on the Pakistani side of the Wagah border, 28 km from Amritsar today.

The BSF drew attention to the fact that there had been a steep increase in armed intrusions by Punjab terrorists from across the border and pointed out that a number of such incidents had taken place close to the Pakistani border outpost BOPs and that it was unlikely that the Rangers were unaware of this.

It was also mentioned how, firing from across the border by suspected terrorists had lasted over half-an-hour, and at times even up to two hours at a stretch. The Rangers, on their part while not directly denying the intrusions, sought to ask the BSF how intrusions could possibly take place when the Indian government had erected fences and flood-lit stretches of the border.

The BSF also drew attention to the fact that while they had sent 14 protest notes on to armed infiltration by terrorists, non-response to flag meetings, and not owning up to foot-print marks of suspected terrorists leading to Pakistan, three of these notes had gone unacknowledged by the Rangers. It was pointed out that a well-defined border between the two countries was not enough and needed to be supplemented by efforts in 'other' directions as well.

Instead of providing satisfactory replies to the issues, the Pakistani Rangers reportedly counter-attacked India with protests that India had failed to acknowledge two protest letters from them this year, one of which was regarding the construction by India of steel observation posts along the border in violation of the ground rules. The BSF, however, pointed out that ground rules were being revised by the two governments. The Rangers also protested against the infiltration of Bangladeshis into Pakistan.

It was also pointed out by the BSF that the Pakistan Rangers' patrol parties had failed to turn up for coordinated patrolling on 54 occasions in Punjab and Rajasthan this year. This apart, there had been six instances of company commanders of the Rangers failing to turn up for briefing on the Punjab stretch of the border.

The Rangers, then expressed the desire to extend the coordinated patrolling to the Rann of Kutch. The BSF pointed out that there was no need for this in the Kutch region since it remains waterlogged for eight months a year and there is little crime and trans-border movement

in that region. Nevertheless, it was decided to convey the request to the inspector-general of BSF (Rajasthan and Gujarat frontier).

The only point on which the BSF and Pakistani Rangers expressed satisfaction was the issue of checking the menace of drug smuggling. India profusely thanked Pakistan for assisting in checking drug smuggling.

Press Reports Developments in Indo-Soviet Relations

Scientific, Technical Cooperation

46001572A Bombay *THE TIMES OF INDIA*
in English 22 May 90 p 13

[Article: "India, USSR Sign Science Pact"]

[Text] Moscow, May 21 (UNI): India and Soviet Union have signed an agreement for a new programme for co-operation in science and technology for 1990-1993.

Under the programme, the two countries have agreed to co-operate in ten areas of common interest such as new sources of energy, including combined use of solar and wind energies in arid zones, polymer materials and products. (foam plastics, polymer membranes), technology of production of steels and alloys: holography, and electric equipment, reports APN.

The agreement was signed here recently by India's science and technology secretary, Mr V. Gowariker, and the deputy chairman the USSR state committee for science and technology, Mr A. Zhvchenko.

Nehru-Katushev Talks

46001572B New Delhi *PATRIOT*
in English 15 May 90 p 9

[Article: "Indo-Soviet Ventures To Be Boosted Further"]

[Text] Moscow, May 14 (PTI)—Commerce Minister Arun Nehru and his Soviet counterpart Konstantin Katushev today decided to give a boost to the setting up of Indo-Soviet joint ventures by streamlining procedures for cooperation.

At a two-hour meeting here Mr Nehru and Mr Katushev agreed that each country would identify areas for investments by the other.

The two sides also decided to identify new commodities to add to the list of those already being traded.

Areas of advanced technology would be given special attention while streamlining procedures for setting up joint ventures, the two delegations noted.

An Indian embassy spokesperson said that Mr Nehru and Mr Katushev, Minister for Foreign Economic Relations, expressed satisfaction at the progress in implementing the decision to increase the trade turnover by two-and-a-half times by 1992.

Mr Katushev briefed Mr Nehru on economic reforms in the Soviet Union. Mr Nehru informed Mr Katushev of the economic liberalisation in India.

They agreed that interaction between the two countries both at the political exporters/manufacturers' levels would be increased by exchange of delegations.

Mr Katushev informed Mr Nehru of the importance placed by Soviet President Mikhail Gorbachev and Prime Minister Nikolai Ryzhkov to the close ties with India.

Every effort would be made so that the contents of economic and commercial relations continue to reflect the special relationship between the two countries, Mr Katushev said.

Burmese Settlements Spring Up in Manipur

46001574A Calcutta *THE TELEGRAPH*
in English 11 May 90 p 4

[Article by Santanu Ghosh: "Burma Encroaching Into Manipur"]

[Text] Silchar, May 10: Fresh Burmese settlements have reportedly sprung up at the Manipur villages of Kalang and Waksu in the state's border district of Ukhrul, marketing a further increase in areas under encroachment by the Burmese.

State government sources in Imphal alleged that the Rangoon administration, by encouraging the continued Burmese settlements in Manipur's remote border areas, had apparently been trying to give a new twist to the lingering border disputes between the two countries.

Molcham, a tiny and sleepy hamlet on the state's south-eastern fringe bordering Kabwa valley in Burma, has already become a bone of contention, with Burma laying its claim on it. The state government, in numerous communications to the Centre during the past five years, has cited instances of intrusions by Burmese policemen to extort cash from the people of this almost inaccessible hilltop village and pointed out the inadequate deployment of the BSF [Border Security Force] in the border.

Sources, quitting land surveys, said the total landmass of the state had been reduced to 22,327 sq. km in 1981 from 22,356 sq. km in 1971. The Manipur chief minister, Mr R. K. Ranbir Singh, had recently admitted the loss of these 29 sq. km and asked the Centre to initiate talks with the Burmese government for settling this land dispute.

Mr Singh said an all party committee of legislators would be constituted to compile a report on this land-grab as

well as the related border disputes. A White Paper would then be sent to New Delhi. During recent discussion in the state Assembly, both the chief minister and the legislators expressed concern at the reported trespassing of the Burmese police in the two Ukhrul villages.

Burma has argued that the Tamu Akalewma Road, built by the British during World War II for troop movements, traverses through this 20-km enclave, and hence its claim is historically justified.

Home Minister Tells Delhi Policy on Punjab

46001594A Madras THE HINDU
in English 2 May 90 p 1

[Article: "Not at Point of Gun, Says Mufti"]

[Text] Chandigarh, May 1. The Union Home Minister, Mufti Mohammed Sayeed, said today that the Centre had given "a clear message" to the Punjab administration that "there should be no let-up in the fight against terrorism."

"If fired upon with guns, we have no choice but to use guns but there are to be no fake encounters and no harassment of the innocents lest we alienate people. At the same time we don't want to negotiate on the gun point," he told reporters at Raj Bhavan here after a review of the law and order situation in the State.

About the political process in Punjab, Mr Sayeed said, "We are already on." We are not negotiating with any political parties. They are all there. We are holding meetings with them and all-party conferences. We are trying to create conditions of normality in Punjab so that elections can be held in the State. Let the people feel that a congenial atmosphere exists for free and fair polls, and we shall have the elections."

"We don't insist on absolute normality but the writ of terrorists should not run in Punjab. That is the pre-requirement for the elections. Our first priority is containment for the elections. Our first priority is containment of terrorism," he said.

The Minister said the situations in Punjab and Jammu and Kashmir were different though there were terrorists in both States. He denied any policy differences with the Jammu and Kashmir Governor, Mr Jagmohan and said the excellent coordination of Government agencies achieved by Mr Jagmohan needed to be emulated in Punjab also.

"I must say," he said, "the administration here has to coordinate the work of all forces, including para military forces. With singlemindedness Mr Jagmohan has built up a strong pressure on terrorists. A large number of their hardcore have been nabbed. He has managed to create a nucleus of Governmental authority there."

Spurt in Killings

The Minister conceded there was a spurt in killings of innocent people in Punjab since the formation of the National Front Government which has adopted liberal policies in the State. He talked of the "fear psychosis," among the people of Punjab.

But he rebutted the charge that the V. P. Singh Government's Punjab policy was unclear. There were two objectives of its Punjab policy namely containment of terrorism and restarting of the political process. Since the beginning of the new year 1,350 people had been arrested on the Punjab border against 21 in the same period last year. The number of terrorists killed was 53 against 18 last year. Very large quantities of arms and ammunition had also been captured.

A widely proposed move to deploy the National Rifles—the latest Army outfit—in the three border districts of Punjab was categorically denied by Mr Sayeed. He said the National Rifles was yet to be formed. It would consist of Army personnel due shortly for retirement. The idea was to have a fighting force as a second line of defence for the Army. "There is no question of using it for maintenance of law and order anywhere," he said. Mr Subodh Kant Sahay, Minister of State for Home, was also present at the press conference.

He was commenting on press reports that Mr S. S. Mann, MP [Member of Parliament] elect, had in a signed statement denounced the proposal of posting the National Rifles in Punjab.

Replying to a plethora of questions on Mr Mann's other statements, including one demanding right of self-determination for Sikhs, Mr Sayeed said Mr Mann's utterances were "deplorable" but in a democratic set-up it was best to fight such views politically.

On the issue of Mr Mann's insistence on carrying his sword inside the Lok Sabha, the Home Minister said, "It is an issue for the Government. It is within the jurisdiction of the Lok Sabha Speaker, who called a meeting of the business Advisory Committee. The Committee's decision was that a 'kirpan' could be taken into the House but not the sword."

He said Mr Mann's statements affected his credibility because he was always changing his position. He also denied Mr Mann's charge that Mr K. S. Gill was behind the murder of the former MP Jagdev Singh Khudian.

Answering questions on the indictment of the Haryana Home Minister, Mr Sampat Singh, by the District and Sessions Judge of Hissar, Mr Sayeed said: "It has not come to my notice". In fact this was his stock reply to several questions regarding the AISSF [All India Sikh Students' Federation] meeting in Delhi and passing of a pro-Khalistan resolution, harassment of the wife and mother of a hardcore terrorist and Punjab administration's refusal for extension of the Rock Garden by Mr Nek Chand.

However, both at his press conference and in his address to the Janata Dal workers of Chandigarh, the Home Minister held out the assurance that a democratic set-up would be given to Chandigarh. He said he had held detailed talks on it today and people's aspirations would be fulfilled shortly.

Dikshit Quits Congress-I Panel in Dispute With Gandhi

46001581A Calcutta *THE TELEGRAPH*
in English 9 May 90 p 1

[Article: "Dikshit Quits CWC"]

[Text] New Delhi, May 8: The veteran Congress(I) leader, Mr Uma Shankar Dikshit, has quit the Congress Working Committee [CWC] following differences with the party president, Mr Rajiv Gandhi, on party programmes and policy matters.

Mr Dikshit submitted his resignation to Mr Gandhi four days ago, pressing that he be relinquished of his charges immediately.

Mr Dikshit (86) was made special invitee to the committee by Mr Gandhi in 1986 and then nominated as a full-fledged member of the committee to counter Mr Kamalapati Tripathi, who had turned critical of Mr Gandhi then.

Mr Dikshit is believed to have written a covering letter with his resignation, criticising Mr Gandhi for his style of working and "refusal to change" even after the defeat of the party in the Lok Sabha and Assembly elections.

Mr Dikshit, who is believed to have made his reservations known, waited to quit till the biennial elections to the Rajya Sabha and appointment of the new party general secretaries. Mrs Shiela Dikshit, his daughter-in-law, was an aspirant for both, but got none.

PTI adds: In an informal talk, Mr Dikshit said he had burnt midnight oil to prepare the report on organisational elections, but regretted that he was not taken seriously.

Mr Dikshit said he had prepared the report at the behest of Mr Gandhi, who he felt, was keen on holding party elections, but he got the impression that certain "non-political" persons around Mr Gandhi had persuaded him to refrain from holding elections.

Mr Dikshit also said serious discussions on various issues were not held at the working committee meetings. He felt every important issue should be discussed by the CWC.

"I do not want to be a party to the present way of functioning of the working committee and I decided to quit," he said, adding there should be no bitterness or rancour on his quitting.

While announcing that Mr Dikshit's resignation had been accepted by the Congress(I) president, the AICC(I)

[All India Congress Committee-I] spokesman, Mr V. N. Gangil, said the veteran leader's contention on party poll was not correct.

The extended meeting of the working committee had discussed Mr Dikshit's suggestion for certain amendments to the party constitution and another CWC meeting was to discuss it.

Results of CPI Politburo 27-30 Apr Meeting Told

46001595A Madras *THE HINDU* in English
2 May 90 p 4

[Article: "CPI(M) Plans Anti-Price Rise Campaign"]

[Text] New Delhi, May 1. The CPI(M) [Communist Party of India-Marxist] is a launch, jointly with the other Left parties, a countrywide campaign against the economic policies, initiated by the Congress(I) regime and left unchanged by the present National Front Government, which have led to a rise in prices. A decision to this effect was taken by the party's politburo which met here for three days from April 27.

With the launching of this campaign the CPI(M), and its allies, would be activating the second prong of their approach to the present ruling set-up of offering Parliamentary support while pursuing independent mass actions outside. Efforts are to be made to get all left and secular forces together to initiate, over the next month, an effective campaign to expose those forces which were out to inflame communal passions. The Uttar Pradesh State committee of the party is to conduct initially a mass campaign this month.

No 'secular front' plan: While the inclusion of all secular forces in this campaign would imply that those in the Janata Dal and Congress(I) who hold similar views would be welcomed, party general secretary Mr E. M. S. Nambudiripad who briefed the press made it clear that the party was not now thinking in terms of any "secular front" as has been proposed by certain Congress(I) circles. Moreover he reiterated the party's understanding that the Janata Dal was a more secular force than the Congress(I) and that though the latter was not a communal force per se it made compromises with such forces. He asserted that the Congress(I) would have had no qualms about entering into a coalition with communal forces if the parliamentary arithmetic forced it to do so.

Neither was there any follow-up to the apparent overtures made by Mr Nambudiripad during the AKG [A.K. Gopalan] memorial lecture, to the "secular trends" in the BJP [Bharatiya Janata Party] and in fact when a specific reference was made to this the general secretary said the politburo had made no such point in its communiqué.

Though the Left parties are to be once again activated in unity, the politburo has refrained from responding to the CPI [Communist Party of India] initiative of settling up

a "socialist forum." This matter had to be discussed with the CPI, he said. In the context it is relevant that the politburo has finalised a draft document on the changes in the Soviet Union and the developments in Eastern Europe. Since the degree of unity would obviously depend on the approach taken by the parties to these developments and whether or not they agree with the CPSU [Communist Party of the Soviet Union]'s projections on the path to be followed by communist parties and since CPI had shown willingness to internalise most of the CPSU's lessons, the approach to be taken by the CPI(M) would be of great relevance.

The draft has to be approved by the party's central committee which meets in May and its details would be released after the central committee session. The CPI(M), it is said, would not depart from its held position that while it was for individual communist parties to assess and adjust to developments in their own countries unhindered by other fraternal parties, such adjustments must be consistent with Marxism-Leninism and the socialists path. This would imply firmness on such concepts as the leading role of the party, the continuation of the class struggle and on-going struggle with imperialism.

Spurt in communal riots: Attributing the alarming spurt in communal riots to the new phase of the Vishwa Hindu Parishad's campaign to construct a temple in Ayodhya the politburo said that organisations like the Bajrang Dal in Uttar Pradesh backed by the RSS [Rashtriya Swayamsewak Sangh] were bent upon communal mischief. "Antisocials from both communities under the cover of communal outfits are whipping tensions."

The attention of Mr Nambudiripad, was drawn to the omission of the BJP's name from the communique. He however replied that from the context, especially the reference to the RSS, the BJP should be understood to be included and secretariat member Mr Prakash Karat, who assisted Mr Nambudiripad clarified that the Bajrang Dal had been focussed upon since they had been in the forefront of the recent riots in Uttar Pradesh.

The politburo referred to an earlier communique which pointed out that the National Front government had inherited a legacy of an economic mess created by the policy of the Congress(I) Government. "The Union Budget did not make a decisive break with these old policies." They had warned that the Railway and general budget proposals would add to inflationary conditions and lead to price rise, and since then the price situation had deteriorated with an increase in the price of all commodities.

First step: "The Government has to take immediate steps to curb rice rise, strengthen the public distribution system and provide relief to the people." The politburo suggested that the first step should be to modify those proposals in the budget to be incorporated in the Finance Bill so that the people were spared from price escalation.

A Left parties' delegation should meet the Prime Minister to impress upon the Government the need for such a step, the politburo suggested.

On Kashmir, while reaffirming the need for firmly tackling the terrorist menace it has called for appropriate political initiatives and measures to alleviate unemployment and stimulate economic development. The party also condemned the "confederation plan" which has been mooted by certain quarters as "nothing but the old formula of U.S. imperialism." Certain economic measures should be initiated in Punjab and all-party advisory committees should be set up at State and district levels there so that a check could be kept on the malpractices indulged in by a section of the police force and administration.

CPI-M Leader Describes Current Political Situation

46001601A Calcutta THE TELEGRAPH
in English 8 May 90 p 6

[Article: This is the text of the A.K. Gopalan Memorial Lecture delivered by CPI(M) leader E.M.S. Namboodiripad in Delhi [on 25 April 1990]; "Isolating the Congress and the BJP"]

[Text] The organisers of this lecture have left it to me to decide the subject on which I shall speak today. Having considered deeply over the question, I have decided to speak on the "Indian communists today and tomorrow." For, the totality of A. K. Gopalan [AKG]'s half-century-long political life is his unrivalled role in the development of the Communist Party into an organised political party of India's working class of which he became one of the most prominent leaders. What has happened to it during this half century; where does it stand now; what are the prospects before it—these are the questions to which I would now address myself.

Although a manifesto was issued in the name of the Communist Party of India [CPI] to the delegates of the Ahmedabad session of the Congress in 1921, and although an open conference of the Communist Party of India was held at Kanpur in 1925, there was no centralised communist leadership when AKG's generation started moving towards the Left. That was why left Congressmen in Kerala opted for the Congress Socialist Party at the very time when their colleagues in other states were already becoming communists. The formation of the Congress Socialist Party, however, coincided in time with the unification of various communist groups scattered all over the country to form a centralised leadership in the mid-30s. There was therefore no difficulty for the Congress Socialists of Kerala to join the CPI towards the end of the 1930s.

It was these beginnings of the communist movement in Kerala—its solid base in the freedom movement and the independent role played by it in relation to the Congress leadership—that enabled it to become a force to reckon with by the time the country became independent. In the

first general election held in independent India (1952) therefore, the party and its Left allies had a credible record of electoral gains. In the Travancore-Cochin part of the state, the Left United Front under its leadership was on the point of forming its government which was prevented only by the unconstitutional action of the Raj Pramugh. In the state of Madras too, Malabar and the Andhra districts sent such a strong contingent of communist MLA [Member of Legislative Assembly]s that, had it not been for the unconstitutional action of the Governor, a non-Congress government would have been formed, probably with the participation, and in any case with the support, of the Communist Party. It was against this local background that the Communist leader from Kerala, A. K. Gopalan, was chosen by the party central committee as the leader of the communist group in the Lok Sabha. Kerala, under the communist leadership, was entering the Left and democratic politics on the national scale.

Ever since then, Kerala has played a constructive role in the development of national Opposition (particularly Left) politics. The formation of the first communist government in 1957, followed a decade later by the CPI(M)-led non-Congress coalition government, gave Kerala and its leadership an honourable place in national Opposition politics. Without giving the detailed story of how Kerala with West Bengal and subsequently with Tripura helped shape the development of a Left and democratic movement, working in close cooperation with the other forces of democratic opposition to the Congress regime, let me describe the situation as it is today.

In three states of Kerala, West Bengal and Tripura, the Left or the Left Democratic Front led by the CPI(M) is the major political force, admittedly stronger even than the Congress. In the rest of the country, however, the non-Congress Opposition is headed by bourgeois parties, some of them like the BJP [Bharatiya Janata Party] and the Shiv Sena unfurling the banner of national disintegration. The Hindi-speaking heartland in particular, continues to be the strongholds of the Congress and the BJP. Even in Kerala, West Bengal and Tripura, the left or Left Democratic Front has no absolute majority of people behind them, the percentage of votes polled by it ranging between 45 and slightly more than 50 percent. Almost half of the electorate in these three states is thus under the political and practical leadership of either the Congress Party or the bourgeois non-Congress parties. There is no room for complacency on the part of Indian communists; they have still to carry on the systematic job of winning the majority of the people.

Recent developments have nevertheless been of such a character as to give room for optimism on the part of the Indian communists and their leftist allies. The Congress has been given a shattering electoral blow both at the Centre and in the majority of states. Alternate governments have come into being at the Centre and in several states. The alternate central government not only relies

on the support of the Left parties but has been dissociating itself from the crudest forms of communalism represented by the BJP on some questions like the Ram Janmabhoomi/Babri Masjid; work of the Minorities Commission; the place to be given to Urdu; Article 370 of the Constitution, etc. The government has adopted on these questions positions diametrically opposed to those of the BJP. It is, of course, true that on some questions they make compromises with the BJP. But the present Janata Dal-National front government is better in this respect than any other combination of bourgeois non-Congress parties. This is why the communists and other leftists are extending support to this government.

There have of late been stirrings in the former ruling party, the Congress(I) led by Rajiv Gandhi. Serious discussions may start (if they have not already started) on how to rescue the party out of the rut into which it has fallen. The questions of ideology and politics as well as the democratic way of organisational functioning are being debated. While it is too early to assess the character of the changes that may take place in the organisation, there is a fair amount of certainty that the Congress would not remain what it is today. Even if that party does not break up, considerable sections of its leadership and ranks may adopt such new positions as would make it possible for them and the Janata Del-National Front leaders and their leftist supporters to join in an organised secular democratic force. If this possibility is turned into a reality, that will provide the national political background against which the communist party may grow stronger as part of the emerging unity of Left and secular non-Congress forces.

This is a new reality which is slowly emerging. The position till a few years back was that the only alternative to the Congress was a broad coalition of non-Congress forces in which the right reactionary and communal forces play an important role. If the Congress was to be defeated therefore, the communists and other leftists had to help the BJP and other right reactionary communal forces to occupy positions of power. For the first time in history now, a situation has arisen where, as envisaged by the Left parties before the recent Lok Sabha elections, not only can the Congress be defeated at the polls but reactionary and communal forces like the BJP, the Shiv Sena, the Muslim League, etc. can be isolated. Working as the Indian communists are today against this political background, they will be in a position to develop throughout the country.

It will be clear from the above that, as opposed to the view held by some political commentators and leaders, the CPI(M) and other left parties are as much a national force as the Congress, the BJP, the Janata Dal and the National Front, etc. The fact that the Left is electorally stronger in a few states and not uniformly throughout the country does not detract from the fact that its orientation and appeal is national. The most consistent fighter against the bourgeois-landlord ruling classes and their political representatives, the Left is a significant force among the non-Congress Opposition parties playing a

key role in having the Congress dethroned from power at the Centre and in the majority of the states. Furthermore, the Left has its own distinct individuality dissociating itself from the bourgeois non-Congress parties in general and from communal-divisive forces like the BJP, the Muslim League, the Shiv Sena, etc. in particular. It was through this consistent struggle against the Congress regime, this independence from the non-Congress parties and this uncompromising struggle against divisive forces that made Indian communists a significant force in Indian politics.

Coming to the organisational growth of the party in this period: the political-organisational report adopted at the 13th Congress of the CPI(M) held in December, 1988 says: "We have functioning units in all the states except four in the north-eastern region (Arunachal Pradesh, Nagaland, Mizoram and Meghalaya) and Sikkim." An appendix to the report gives the state-wise breakup of party membership in 1978, 1985 and 1988. The total membership rose from 161,404 in 1978 to 367,328 in 1985 and 465,277 in 1988. This steady increase is shared by all the 22 states where there are party units. Other indications of the growth of the party's influence, such as increase in the membership of mass organisations led by the party, circulation of party journals and literature, etc. tell the same tale.

Although there are disparities between the stronger and the weaker states, there is growth everywhere. Once again to quote the 13th Congress Report:

"Party units in various states are trying to consolidate their political position where they have already become fairly strong and to start developing the weaker areas...The party has broken new ground, attracting more and more militants into the party, thus laying the basis for advance in the future...The increasing political cooperation between the Left and the secular democratic Opposition parties will create favourable conditions for the advance of the Left and the democratic forces throughout the country." (Emphasis added).

The new political situation following the fall of the Rajiv Gandhi government and the struggle between the reactionary communal right and the communist-led Left among the non-Congress parties give the communist party every ground for optimism that will find it possible to record steady advance. It is with this optimism that we recall the services rendered by AKG to the cause of developing Left and democratic unity.

I will be failing in my duty if I do not refer to the state of the world communist movement today. You will kindly excuse my inability to go deep into the subject since the Politburo and the central committee of my party are still grappling with the problem. I should however make two basic points which I hope will put the problem in correct perspective.

First, the current developments in the socialist countries and in the world communist movement are part of a process of renewal of world socialism despite certain

reverses. Seventy two years of socialism in the Soviet Union and shorter periods in other socialist countries have made it necessary to restructure the economy and policy of socialism in individual countries and world socialism in general. Perestroika and glasnost in the Soviet Union, economic reforms and opening to the outside world in China and various other forms of restructuring socialist society in every country is intended to improve the working of, rather than go back on, socialism.

In actual practice of course, comrades in one or other socialist country may go wrong which will certainly constitute serious reverses to socialism not only in those specific countries but in the world at large. The people who have lived for decades under socialism however, would not allow the gains made by them to be taken away. Those countries which have temporarily retreated from socialism will therefore be brought back to socialism. It is with this hope of the ultimate victory of socialism that my party looks upon the future of world socialism.

Second, though very much a part of the world socialist movement and, therefore, interested in all the happenings of every socialist country, our party is not directly affected by what goes on in the socialist countries. Committed as we are to the concept of proletarian internationalism, ours is nevertheless a genuine party of the Indian people. Based on the principles and practices of Marxism-Leninism, we work out our own political strategies and tactics independently on the basis of democratic inner-party discussion. While we certainly try to understand what our fraternal parties are doing in their own countries, the concrete working out of our strategy and tactics has no relation to the theoretical and practical developments of these socialist countries.

It is with such a perspective of national and international developments that we are striving to further strengthen a movement in building which AKG played a leading role.

BJP Delhi Rally Urges Strong Action Against Pakistan

46001604A Calcutta THE TELEGRAPH
in English 3 May 90 p 1

[Article: "BJP Asks Government To Destroy Camps in Occupied Kashmir"]

[Text] New Delhi, May 2: At a massive rally on the Kashmir issue at the Boat Club lawns here today, leaders of the BJP [Bharatiya Janata Party] attempted to whip up a war hysteria and called upon the Union government to destroy training camps in Pakistan-occupied Kashmir.

Over two lakh people who attended the Rashtriya Suraksha (national security) rally sat patiently through a steady drizzle while leader after leader spoke of the dangers from secessionist elements not only in Kashmir,

but also Punjab, Assam, and the northeast. They underlined the need to abrogate Article 370 and take stern action against the secessionists and against Pakistan in order to save the country from its current crisis.

A lengthy resolution adopted at the meeting called upon "all patriotic Indians to rise to the occasion and prepare to face any eventuality of war or crisis of whatsoever dimensions and actually participate in the process of rebuilding a new India."

The resolution also urged the Centre to consider "destroying the bases in Pakistan-occupied Kashmir used for training secessionist elements, who are then made to infiltrate into Kashmir and Punjab. Even international law permits the destruction of such bases by way of permissible reprisals if it stands proved that such bases are actually being used for intervention in the internal affairs of India, which fact stands proved beyond doubt."

While several leaders including Mr L. K. Advani, Mr Atal Behari Vajpayee, Mr Arif Baig, Dr Murli Manohar Joshi addressed the rally the most fiery speech came from the Himachal Pradesh chief minister, Mr Shanta Kumar, who exhorted the government to launch a mahabharat to achieve a "final solution" to the Kashmir problem.

In a speech marked by flowery rhetoric which drew applause from the crowds, Mr Shanta Kumar criticised the Union government for not taking any decisive action despite national consensus on the issue. Resorting to mythical allegory, Mr Kumar said, "Draupadi's sari is being pulled away, the limit of tolerance has been reached, now is the time to launch the mahabharat..."

In his speech, Mr Advani said a delegation of BJP workers from Maharashtra on their way to the rally had been attacked at a station in Gujarat, a BJP worker had been killed and attempts were made to set the train on fire. Mr Advani pointed out that such incidents showed the gravity of the situation in the entire country. He reiterated his party's resolve to speak out clearly on issues. Though the BJP was isolated on the Article 370 issue, it would continue to demand its abrogation.

Appeal to VHP [Vishwa Hindu Parishad]: Mr Vajpayee, who spoke at the end, adopted a more conciliatory tone and unlike the other speakers did not attack the present government's handling of Kashmir but focussed his criticism on the previous government.

Significantly, Mr Vajpayee once again called upon all "Hindu organisations to play down their religious demands in view of the threat to the country's unity and integrity. In this context, he mentioned the Vishwa Hindu Parishad's campaign for building a temple at Ayodhya and criticised the Shankaracharya of Dwarka for intervening even when talks were going on between the VHP and the Union government.

While regretting that a religious personage of his stature had been arrested Mr Vajpayee felt that the Shankaracharya should not have gone to Ayodhya either.

Tota Singh Appointed Interim Head of Akali Dal

46001573A Bombay THE TIMES OF INDIA
in English 22 May 90 p 26

[Article: "Tota Singh, Interim Akali Dal Chief"]

[Text] Chandigarh, May 21 (PIT): The Akali Dal (L) working committee today appointed Mr Tota Singh as acting president of the party.

Briefing newsmen after a meeting of the working committee and district jathedars, Capt Kanwaljit Singh, former minister, said the meeting "unanimously accepted Mr Barnala's resignation with heavy hearts."

The meeting through a separate resolution urged the Centre to take immediate steps "to solve the Punjab problem at political level."

Mr Barnala was present at the meeting when the resolution concerning his resignation was accepted.

Capt Kanwaljit Singh said Mr Barnala has resigned with a view to achieving Panthic unity and "we hope his sagacious advice and great strength of character shall continue to guide the Akali Dal."

The meeting noted through a resolution that Mr Barnala had steered the party at a "crucial juncture" in accordance with the path shown by Sant Harchand Singh Longowal and made all efforts for the maintenance of peace and unity in Punjab.

Engineers Oppose Use of Soviet Technical Equipment

46001611A Calcutta THE STATESMAN
in English 5 May 90 p 14

[Article by Gautam Choudhury: "Controversy in DVC Over Soviet Boilers"]

[Text] The Centre's decision to install four 210-MW units at Maithon on the West Bengal side with Soviet help has raked up a fierce controversy in the Damodar Valley Corporation [DVC]. Angry engineers described the decision as "impractical, and unscientific. It is being pushed down our throats", they say.

The engineers were distinctly happy when the project, shelved by the Centre for a long time, was finally cleared. But their joy was short-lived the subsequent announcement made it clear that it could be implemented only with Soviet help.

The current controversy is similar to the one going on at the West Bengal Power Development Corporation following the Soviet aid offer for the Bakreswar project. At both the places, engineers welcome financial help of the

USSR but are bitterly opposed to any Soviet help in the form of machinery and technical supervision and expertise.

The Principal Chief Engineer of the DVC had already written a letter to the Chairman, Central Electricity Authority [CEA], where he identified reasons why Soviet-made machinery should not be allowed at the proposed Maithon plant. A similar letter was also written to the Union Energy Ministry by the Chief Engineer (operation and maintenance) of the DVC. Their arguments have apparently fallen on deaf ears, since no replies were received by the DVC officials.

Engineers point out that the use of Russian-made boilers and other machinery in the proposed units would pose serious "technical complications, which can never be removed". There were said to have been sharp differences of opinion over these technical issues during discussions relating to of the scope and technical requirements of power plant equipment to be supplied by the USSR for the Maithon plant.

According to the engineers, the principal area of difference related to boilers proposed to be supplied by the Soviet Union. Quoting Soviet experts, who had a series of meetings with the DVC in this regard, the engineers point out that the boiler plant, as proposed to be supplied by the USSR will require oil support on a continuous basis at loads below 85 percent for the coal which is likely to be used. Even with best quality coal, the situation cannot be improved much, they say.

The indigenously-built boilers, on the contrary, need oil support only below 35 percent of rated load. In their letters, the Principal Chief Engineer and the chief Engineer of the DVC had made clear that "as per Russian design, the rate of oil consumption for Soviet-design boilers will be about 100 ml/KWH as against 6-7 ml/KWH for indigenous boilers like the Bokaro 'B' boiler of double down shot firing design". They also warned that if Soviet boilers were set up, "about 80,000 tons of oil would be required per boiler every year and the estimated expenditure on present rate of Rs 3,660 per ton for oil will be about Rs 3 crores per year per boiler throughout the expected boiler life-span of 40 years".

Engineers further point out that in the Eastern Regional Electricity Board grid, frequency fluctuations occur at peak, off peak and even during normal time. As such, the DVC units cannot be run continuously on 100 percent load without the costly oil support required for running the Russian-made boilers. "Why should we allow such massive drainage of precious funds in an oil-starved country like India, when ABL-made indigenous boilers have proved performance records and are perfectly suited for our conditions", the engineers ask. "From our experience spread over 36 years in operation of thermal units with Indian coals, we are of the opinion that the ABL-designed boilers will be best suited for the poor quality coal as is likely to be available at Maithon," the Principal Chief Engineer said in his letter.

The engineers admit that the Soviet boilers are rugged, but describe these as obsolete and unsophisticated, far behind times with no worthwhile performance record. They also point out that problems which will arise is the availability of spare parts for the Soviet boilers. "It will also keep us perpetually dependent on the USSR, as we have no idea of the Soviet boiler design and its operation".

Aggrieved engineers describe the situation as a "fait accompli", but fail to understand the rationale behind such "imposition of Soviet Technology" in an area, where it is totally unnecessary. "This is sad and unfortunate and does not augur well for the country", they say.

The Principal Chief Engineer perhaps as a gesture of compromise requested the CEA to persuade the USSR to manufacture boiler on "double-down shotfiring", design already available with the ABL. He further pointed out that the Indian Boiler Act would have to be amended.

Reportage on Asian Development Bank Meeting in Delhi

Singh Opens Meeting

*46001592A Bombay THE TIMES OF INDIA
in English 3 May 90 p 1*

[Article: "VP Assails Trade Blocs"]

[Text] New Delhi, May 2. The Prime Minister, Mr V. P. Singh, today said each country must determine its domestic economic policies in the light of its own particular objectives and economic circumstances.

"There is no universal blueprint for a sound economic policy applicable to all the countries," he said, inaugurating the 23rd annual meeting of the Asian Development Bank (ADB) here.

Criticising the growing tendency to think in terms of exclusive trading blocs and the dangerous resort to bilateralism bypassing established multilateral forums, he said, "These tendencies weaken the multilateral trading system and reduce confidence in its functioning, especially among the developing countries".

On the financial front, Mr Singh called upon the multilateral financial institutions, including the ADB, to step up the net flow of resources to the developing countries. Their need for development finance was very large as they open up their economies. "For the low-income countries, a substantial portion of these funds must continue to be provided on concessional terms."

Referring to international trade, he said the Asian countries had powerful stake in the preservation of an open trading system, but regretted that the multilateral trading system was under severe pressure.

The Prime Minister pointed out that even the best of economic policies followed by a nation would not succeed without a supportive international economic environment. This was particularly so when global interdependence has increased and many countries are opening up their economics to integrate more fully with world trade. "The world," he said "had a long way to go in this area."

Praising the high growth rates achieved by the Asian countries, he said it was due to a number of reasons, including sound macroeconomic management based on strong aversion to inflation, high rates of savings financing high levels of investment, a good performance in agriculture and rapid growth in industry with a strong export performance.

He hoped the Asian region would continue its good performance in the 1990s, with sound domestic policies and a supportive international environment, "We in India look forward to the future with confidence and high expectations," he said.

PTI & UNI add:

The Prime Minister said India was reviewing its policies and procedures on foreign investments. Although, the entire economy will not be open to foreign investments, large areas, particularly in high technology and where it contributed to export capability, would be opened up.

He said a clear indication of the areas where foreign investments were welcome would be made, and assured that approvals in all such cases would be speedily given.

He said maintenance of macroeconomic stability with low rates of inflation was a precondition for a stable and sustainable economic growth. The rate of inflation in India in the 1980s had averaged about seven percent annually, he said.

Mr Singh said the government proposed to review the education policy with a view to correct "weaknesses" in basic areas of human resources development like expansion of literacy, strengthening primary education and development of vocational training.

The finance minister, Prof Madhu Dandavate, spoke in his capacity as chairman of the board of governors, pleaded for more flow of external aid to the Asian developing countries which, at present had the lowest per capita external aid among all the regions.

He called upon the bank to play a catalytic role in diverting more resources to the region.

The ADB president, Mr K. Tarumizu, expressed concern over the widening gap between the more developed and the less developed countries and said the bank's strategy in the 1990s would be to ensure growth with equity.

Outlining the three broad directions for Asian and Pacific development, Mr Tarumizu said greater priorities must be placed on alleviating poverty and protecting the environment.

Meanwhile, referring to the sixth replenishment of the ADB's soft lending window, the Asian Development Fund (ADF), Prof Dandavate hoped for a significant increase over the ADF-five level despite the budgetary constraints of the donor countries.

One of the crucial issues which will engage the attention of the delegations from the 49 member countries during the meeting, being held in India for the first time, is the size of ADF-six, due to commence next year.

This is likely to prove a contentious issue as the major donors, Japan and the United States, are said to be unwilling to go along with any substantial hike in the size of the fund.

Of special interest to India and China is the fact that both the Asian giants have staked a claim for the first time to gain access to concessional assistance, at least from ADF-six.

Report on Dandavate Speech

46001592B Calcutta THE TELEGRAPH
in English 3 May 90 p 10

[Article: "ADB Must Channel More Funds to Third World"]

[Text] New Delhi, May 2 (PTI, UNI): The finance minister, Prof Madhu Dandavate, today stressed the need for stepping up external aid flows to the Asian region, which had so far received the lowest per capita external aid.

In his address to the 23rd meeting of the Asian Development Bank (ADB), Prof Dandavate said the development efforts of the Asian countries had been financed predominantly by domestic savings. It was necessary to complement this by external flows to meet the development challenges, he added.

Prof Dandavate, who was speaking as chairman of the ADB, called upon the bank to play a "much stronger role in marshalling resources from both within and outside the region and channelling them to developing member countries through imaginative and well-conceived projects".

The bank, he said, "will also have to play a much more active role in helping member countries tap private flows as an adjunct of official flows".

Prof Dandavate cautioned that Asia's dependence on trade and capital flows made it "vulnerable" to protectionist trends in the developed countries.

The bank member nations should, therefore, be on "guard" against rules, legislation, or practices that would

constrict the open global system under which much of Asian prosperity had been gained, he added.

Stressing the need for increased South-South cooperation, Mr Dandavate said the bank had a distinct role to play in fostering such cooperation particularly in the areas of trade, technology adaptation, resource sharing and skill enhancement. But, he said, South-South cooperation should not be a substitute but a complement to North-South cooperation.

He said population central should be control to "our development thrust" as its growth has had a dismal impact on the incidence of poverty. Among the member countries of the bank, there were presently about 550 to 600 million persons who could be classified as extremely poor.

He commended the bank for allocating over \$1 billion in loans for the education sector over the years. But at the same time, he said, a lot of ground was still to be covered in human resources development in order to "squarely" meet the development challenges.

Mr Dandavate, who stressed the need for ADB to expand its activities into some non-traditional areas, hoped that despite the budget constraints of donor countries, there would be a significant increase in the replenishment of the Asian Development Fund (ADF), the soft window of the bank, over the last one.

Emphasising that a larger ADF was most vital for aiding the most indigent in Asia's poor countries, he said funds under the ADF-Six should start flowing in the latter part of 1991 to avoid a hiatus in development efforts.

Discussions would also have to begin in the near future on increasing the bank's general capital. Based on actual and projected needs of the 1990s, members would have to consider new commitments based on their ownership of share capital, he said.

Indian Hopes Scuttled

46001592C Bombay THE TIMES OF INDIA
in English 5 May 90 p 13

[Article: "ADB Scuttles Indian Loan Hopes"]

[Text] New Delhi, May 4 (PTI). The immediate prospects of India and China getting concessional assistance from the Asian Development Bank [ADB] were dashed today with the 23rd annual meeting of the bank ending without making any headway on this contentious issue.

The three-day meeting, which began here on Wednesday amidst growing expectations of the two Asian giants getting access to the bank's soft lending window, failed to take off on the negotiations for the sixth replenishment of the Asian Development Fund [ADF] following an intransigent stand on the United States.

While most of the 49 governors agreed on the need for an early start of the deliberations for the ADF replenishment, the U.S. and the United Kingdom, two major donors, took a rigid stand for postponement of the negotiations till 1992.

But India, in its capacity as chairman of the board of governors of the bank, fervently hoped that the next ADF replenishment would be finalised when they meet again at Vancouver in Canada in a year's time if not by December 1990 as had been earlier envisaged.

The finance minister, Prof Madhu Dandavate, who is the outgoing chairman, in his closing remarks recommended to other developing countries and the bank as well to pursue the negotiations for ADF-6 in the time frame suggested by him.

In his closing remarks, the ADB president, Mr Kimimasa Tarumizu, said given the importance of the ADF to the poorer member countries of Asia, negotiations for ADF-6 should begin as soon as possible to enable an agreement on time.

India and China getting access to concessional assistance of the bank depended on donor countries committing their contributions to the sixth five-year replenishment slated to begin in 1991.

The two countries did not have access to the fifth replenishment ending December 1990 as India staked its claim to the concessional assistance only after the commitments for the contributions were made by the donor countries in 1985. China did not have access as it became member much after 1985.

The U.S. and the United Kingdom governors, Mr George A. Folsom and Mrs Lynda Chalker, respectively sought postponement of negotiations for ADF-6 until 1992 saying it was "premature" to start it now because it would take two more years to exhaust funds under ADF-5.

Regarding the fourth general capital increase of the bank, Prof Dandavate said there appeared to be a broad agreement at the meeting on concluding the negotiations by 1991 end to enable the legislative process to be completed in time for the contributions to be made effective by 1992.

Endorsing Prof Dandavate's remarks, Mr Tarumizu also underlined the need for preparing for the next general capital increase.

Summing up the deliberations, the ADB president said general agreement had emerged on the need for alleviating poverty and protecting the environment, developing private sector and creating a policy framework that encouraged efficiency in the developing member countries.

Bank governors also cited the benefits of programme lending but generally agreed that the ceiling of 15 percent

of total bank lending was appropriate. Many also noted the value of the bank's technical assistance.

Governors suggested ways to strengthen ADB activities in social infrastructure, environment and women in development. Several of them mentioned the need for creating a mechanism for strategic planning.

Many governors commented favourably on measures initiated to improve bank assistance to smaller members.

Mr Tarumizu assured the meeting that he would do his best to ensure that the bank supported accelerated the greater equity for sustainable development.

"We will strive to meet the challenges of this decade and build a strong foundation for bank operations in the 21st century," he declared.

Prof Dandavate expressed the confidence that the president and the board of governors would give urgent attention for the sustainable development of innovative instrumentalities for assisting the developing member countries.

He said he was happy to note that the many governors had allayed the fears expressed by the developing member countries regarding reduction of the quantum of aid to Asia following the developments in Eastern Europe.

Prof Dandavate said he was glad over the emerging consensus on the admission of both Turkey and Mongolia as members of the bank and hoped they would be welcomed as full fledged members during the next annual meeting at Vancouver.

"At this meeting our earnest striving for the emergence of broad consensus must be the pivot of our deliberations. Such a consensus is not difficult in an environment in which the horizons of human minds widen and the frontiers of the world shrink, bringing us much closer," he said.

During this meeting Marshall Islands and federated states of Micronesia were admitted as 48th and 49th member countries of the Manila based bank.

At a press luncheon, Mr Tarumizu hoped that new initiatives to reduce world tension would result in a "peace dividend" which would make more funds available both in the public and private sectors for investments, trade and development assistance.

The current chairman of the board of governors, finance minister, Prof Dandavate, in his closing remarks said that a general consensus has emerged from the meeting regarding the need for an early discussion for ADF-6.

ADB Report

46001592D Calcutta *THE TELEGRAPH*
in English 5 May 90 p 10

[Article: "ADB Lending Goes Up by 15%"]

[Text] New Delhi, May 2 (PTI): The Asian Development Bank [ADB]'s lending commitments rose by 15 percent to \$3.624 billion last year, according to its 1989 annual report.

The report notes that the bank's lending operations and equity investments (including a line of equity), which tripled to \$56 million, increased 16 percent to \$3.680 billion in 1989.

The increased volume of loans was largely due to significant lending to Bangladesh, India, Indonesia, Pakistan and the Philippines. The bank also approved seven sector loans totalling \$694 million and five programme loans amounting to \$275 million.

The bank's private sector activities expanded rapidly in 1989 with assistance totalling \$868 million compared with \$486 million in 1988. Loans to private sector enterprises, through development finance institutions and under government guarantee, rose to \$705 million for five projects in 1989 from \$393 million for five projects a year earlier.

Total investments without government guarantee—loans, equity investments, lines of equity and equity underwritings—totalled \$163 million for 17 projects compared to \$93 million for 11 projects in 1988.

In 1989, the bank reduced its lending rate to 6.42 percent per annum from 6.53 percent on January 1 and to 6.37 percent on July 1. On January 1, 1990, the rate was lowered further to 6.33 percent per annum, the lowest since the start of bank operations.

The bank formalised its policy on rehabilitation after disasters to its developing member countries [DMC] during the year.

The importance of technical assistance to the bank's overall lending programme was highlighted by the fact that, in 1989, 27 bank loan projects totalling \$1.5 billion resulted from technical assistance.

During the year, the net transfer of bank resources (disbursements minus capital repayments and prepayments, payments of interest and other charges plus equity investments) to DMCs rose 56 percent to 879 million dollars. This was mainly due to a significant improvement in loan disbursements and equity investments.

In addition, quick-disbursing programme loans played an important role in the improved disbursement.

Singh's 'Significant Enunciation'

46001592E New Delhi PATRIOT in English
3 May 90 p 4

[Article: "ADB, India and US"]

[Text] Prime Minister V. P. Singh, addressing the 23rd annual meeting of the Asian Development Bank [ADB] on May 2 called for an enhanced flow of concessional assistance to developing countries through multilateral financial institutions such as the ADB and for strengthening the multilateral trading system. The reference was clearly to the US. The latter's commitment to the ADB has, of late, been on the wane, a fact clearly demonstrated by its failure to honour its commitment to the fifth quota of the Asian Development Fund (ADF-V) as well as its low level representation at the replenishment negotiations for ADF-VI being held in Delhi. The US reluctance has a direct bearing upon Indian access to the concessional funds from ADB, resources which it crucially needs in view of its present resource crunch and the growing difficulties of raising concessional flows from alternative international financial institutions. Indeed, though both China and India are eligible for loans from ADF-VI, having per capita incomes below the stipulated cut-off point of 650 US dollars, they are likely to be denied this access on grounds that this would crowd out smaller countries, unless there is an enhanced replenishment. Part of US non-cooperative attitude can be traced to its disapproval of domestic policies in these two countries, particularly in India, the most striking expression of which was the inclusion of India under Super 301. The second emphasis on strengthening the multilateral trading system too had a reference to the same Super 301, which India sees as a clear attempt by the US to compel its trading partners, particularly among the developing countries, into bilateral agreements. Mr Singh's emphasis reiterated the country's stand in wanting to discuss the issue of trade in services on the multilateral forum under GATT and not bilaterally. With the deadline of June 16, for US retaliatory action against India, drawing close, it was a significant enunciation of India's position that Mr V. P. Singh made. One wishes he had demonstrated a greater willingness and flexibility in adhering to the outcomes of GATT negotiations.

Audit Scores Submarine Construction, Defective Armament

46001578A Bombay THE TIMES OF INDIA
in English 11 May 90 p 20

[Article: "Key Sectors Hit in 7th Plan"]

[Text] New Delhi, May 10 (PTI). The level of unemployment has shown a tendency to worsen and the progressive reduction in the share of primary and secondary sectors of gross domestic product (GDP) led to wide disparities in several areas during the seventh plan, according to the annual report to the planning commission for 1989-90.

The report released today noted that while there were several significant achievements during the seventh plan period, it must be conceded that there were also many areas of concern discernible in the emerging patterns of development.

A major part of the growth has been in the services sector. There has been a progressive reduction in the share of primary and secondary sectors in the GDP, thereby widening the agriculture non-agriculture disparities in terms of output and incomes per head.

Inter-regional disparities and disparities between different social groups—rural and urban, wage labourers and proper owners, workers in organised and unorganised sector men and women—had been accentuated.

The level of unemployment has shown a tendency to worsen and there had been a decline of employment in traditional crafts and industries. The organised industry had failed to provide additional employment commensurate with investment.

The average rate of growth of agricultural production had been modest and concentrated in certain parts of the country, it said and added that the new approach to the eighth plan aimed at correcting these distortions.

Submarine-Building Project 'Grossly Underestimated'

46001579A Bombay THE TIMES OF INDIA
in English 11 May 90 p 20

[Article: "CAG Lambasts HDW Costs"]

[Text] New Delhi, May 10 (PTI). The comptroller and auditor general (CAG) has taken the defence ministry to task for the huge delay leading to heavy cost overruns in the indigenous production of the controversial HDW SSK class killer submarines and defective torpedoes supplied by the German firms.

In its latest report on the heavy and air force tabled in Parliament today, the CAG has said that time required for the construction of the submarines at Mazagon Docks had been "grossly underestimated" and it had jumped up from 42 months to 81 months. The report said this had consequently led to tripling of costs from the estimated Rs 196.91 crores to Rs 334.06 crores.

In sharp contrast, the report said, the government had paid just Rs 172.42 crores for the first two sail-away submarines brought from the German HDW shipyard in 1981.

India had brought three of these SSK class killer submarines from the German shipyard and three more were to be built at Mazagon Docks under licence. Till date, only the first of the three indigenous submarines is undergoing sea-trials.

The CAG report, however, has expressed more concern at the defective torpedoes brought for these submarines and held the naval armament depot responsible for this.

The CAG has said there was a "mismatch" between the induction of the submarines, receipt of their torpedoes and the creation of facilities for their storage and said two torpedoes each costing lakhs of rupees were found unservicable on receipt.

The naval armament depot which was to take delivery of the torpedoes for the SSK class submarines worth over Rs 50 crores only received the torpedoes between March 1986 and 1988, though they had actually been accepted by April 1987. The CAG says that when the naval armament depot received the torpedoes the major portion of their warranty period had expired.

The report said that the defence ministry had informed it that the permanent storage facilities of the torpedoes had been completed in January 1989 and all of the torpedoes had been shifted. However, on testing, the CAG said, 17 more of these torpedoes were found defective and the ministry had intimated that they were under repair free of costs by the manufacturers.

Turning back to the construction of the killer submarines within the country, the CAG said due to the delay on the part of the ministry to take a decision about the future construction plans, the facilities created at the Mazagon Docks at a cost of Rs 44.7 crores was under-utilised and that machinery worth more than Rs 12.69 crores would remain idle after completion of the construction of the submarines.

The report says there was also a mismatch between the induction of the submarines and commissioning of related training simulators and non-availability of certain essential training equipment. It also says that infrastructural facilities for the mines had not been provided.

About the defects in some of the items purchased from abroad, the CAG said it was seen in the audit that, "clauses of contract for such supply of items were not spelt out in unambiguous terms. Some of the items had been delivered in a semi-finished state and had to be repaired at huge additional costs, it said.

The CAG has also adversely commented upon inadequacy of the base and operating facilities for the SSK class submarines and in citing an example in this connection have said that on examination it had been found that four high pressure air compressors imported for exclusive use of the SSK submarines were being constantly used on other submarines due to their low utility for SSK submarines.

The CAG has also passed stiff comments on the first refit of the first submarines brought in sailaway conditions from West Germany saying it was done inadequately and quotes the naval headquarters as saying this "might be detrimental to the material state" of the submarines.

IRAN

Tudeh, Feda'i Leaders See Perestroika as 'Positive'

90AS0104A Nicosia AL-HURRIYAH
in Arabic 13 May 90 pp 34-36

[Interview with Amin, a member of the Tudeh Party political bureau, and Saltan Abadi, a member of the executive committee of the central committee of the Feda'i-ye Khalq-e Iran Organization-Majority, by Jam'ah al-Hilfi; first two paragraphs are AL-HURRIYAH introduction; place and date not specified]

[Text] "As soon as Iranian troops withdrew to within their borders after the cease-fire in the war with Iraq, it seemed as though the Iranian revolution itself withdrew into Iran." This is how a political observer described the situation in Iran when its late leader, Imam Khomeyni, made the historical decision to agree to end the war with Iraq in mid-1988. That decision was actually tantamount to a separation between two eras, two policies, and two leaderships. Since Khomeyni's death and Hashemi Rafsanjani's election to Iran's presidency, it has become clear that "withdrawal" has been strongly confirmed as a political option and that a new course of political realism has begun in Iran. However, if Iran's external "battles" concluded with the end of the war with Iraq, its internal battles began at that precise moment. Hashemi Rafsanjani has had to apply himself to the battle of rebuilding not only what was destroyed by war, but also what was destroyed by policy. Thus, Rafsanjani has entered into battle on more than one level since becoming president of the Islamic Republic of Iran. What has Rafsanjani achieved so far, what is the map of the internal struggle in Iran at present, how do opposition forces view the Iranian leadership's course and policy?

Some of the answers to these questions are provided in the following discussion with Amin, a member of the political bureau of the Tudeh Party, and Saltan Abadi, a member of the executive committee of the central committee of the Feda'i-ye Khalq-e Iran Organization-Majority.

Currents

[al-Hilfi] There is always talk of disagreements and conflicts between the two operative currents in the Iranian leadership. Who represents these two currents? What unites them? What do they disagree about?

[Amin] Before Khomeyni's death, all operative currents in Iran had to represent Khomeyni's course and policy. Although some of these currents had their own positions on numerous political issues, they all showed deference to Khomeyni's personality and influence. Of these currents, Hashemi Rafsanjani's current has been the most correct and intelligent in appraising the situation in Iran and ascertaining the people's mood and demands. Therefore, before Khomeyni's death, Rafsanjani was

able to personally achieve a great accomplishment, namely ending the war with Iraq. That accomplishment expressed, and still expresses, the realism of Rafsanjani's current and the correct vision of Iran's future. After Khomeyni's death, Rafsanjani's current discarded all of its slogans and relied on its strength and the rallying of numerous leaders around it.

[al-Hilfi] Does that mean that you in Tudeh support Rafsanjani's policy?

[Amin] When we discuss the realism and intelligence of Rafsanjani's current, it of course does not mean that it is a democratic current, or that it supports political and general freedoms. On the contrary, Rafsanjani himself, who has been at the apex of the political pyramid since the victory of the revolution, is among those responsible for the policy of oppression to which leftist and non-leftist Iranian national forces were, and are still, subjected. However, at the same time, he is regarded as a leader who sees Iran's future linked to opening up to the world and Iranian industrial development. He has firmly embedded his policy on this foundation. In other words, his economic program is based on the development, growth, and increased production of national industries, and on the encouragement of the importation of foreign capital.

[al-Hilfi] What about the other current?

[Amin] The other current, which is clearly represented by former Interior Minister Mohtashemi, is the religiously extremist current. This current has presented neither a political nor an economic program, which is the source of its weakness. Mohtashemi's current emphasizes only the need for the clerics to retain power, and slogans calling for the exportation of the revolution, diplomatic wars, and other such things. For precisely these reasons, this current has not formed a popular political base within Iranian society. It also suffers from disagreements stemming from its position on the policies of the Rafsanjani government. For example, the Mohtashemi current has declared that Rafsanjani and his government are opposed to Imam Khomeyni's directives. The Mohtashemi current wants these directives implemented in letter and spirit. However, it does not recognize the reality that these directives are no longer politically enticing, and that the people have come to eschew policies of war and extremism. Hence, you find that the broad masses support the course of the realistic Rafsanjani government.

[al-Hilfi] But does that mean that the extremist current no longer has any influence?

[Abadi] It can be said that the extremist current was weakened after Khomeyni's death. Recently, this weakness has grown to the point where some of the leaders of the extremist current have changed some of their positions, and they are demonstrating some flexibility. At present, there is what resembles a split within the ranks of this current. This split is between those who have begun to try to understand Rafsanjani's policy and those

who still adhere to slogans calling for exporting the revolution, holding onto the hostages in Lebanon, and opposing calls for an opening to America, the West, and others. These extremists are currently opposed to even some government policy approaches that are considered relatively good, especially regarding social and political freedoms and the domestic economic opening, all of which they regard as being opposed to the imam's line. Thus, it can be said that the extremist current has no future in Iran, especially since it does not possess any clear political, social, and economic policy. It also lacks a substantive personality who is a match for Rafsanjani, for example. However, in any case, it should not be said that the influence of this current has ended, because it still has its positions in the Iranian political arena and outside Iran.

The Conflict

[al-Hilfi] What has the government of President Rafsanjani achieved since its formation? What obstacles does it face?

[Abadi] Since President Rafsanjani formed his government, a number of important issues have been thrust upon it, including the reconstruction of what the war destroyed, which of course requires obtaining loans and encouraging domestic and foreign investment. These goals cannot be achieved without an opening to the world in the sense of changing Iran's international image and ending the policy of exporting the revolution and interfering in the internal affairs of other states, including solving the hostage issue, which is an impediment to relations with America and the Western states. The other issue is how to combine the requirements of such an opening with the requirements of applying Khomeyni's directives, which some consider the revolution's working program. All of these issues are encountering the opposition of the extremist current, which rejects the diplomatic opening and relations with America and the West, and calls for retaining the hostages and implementing Khomeyni's directives in letter and spirit. Thus, a struggle is now occurring that is a basic impediment to the Rafsanjani government's program. For example, the moderate current (i.e. Rafsanjani's current) maintains that a deceased person is not entitled to formulate legal or theological judgments. Accordingly, the moderate current deems 'Ali Khamene'i the supreme authority who can decree the manner in which the imam's directives are to be implemented. The extremist current advocates not violating the directives and applying them as they are. This current accuses Rafsanjani and Khamene'i of violating Khomeyni's directives. In the midst of this struggle, conditions are almost frozen.

[al-Hilfi] Therefore, you maintain that nothing tangible has been achieved to date?

[Abadi] Nothing worth mentioning. All efforts of the government are based on the possibility of obtaining loans, which is linked to improving relations with

America and the West. Delegations from the World Bank, the International Monetary Fund, Korea, Germany, Japan, and Italy are all waiting for political solutions first. As a matter of fact, there are many problems, such as rising inflation, a shortage of goods and commodities, weak productivity in factories and plants, and other problems and stoppages, which were a reason for the eruption of recent demonstrations in a number of Iranian cities.

No Progress

[al-Hilfi] What about the government's policy in the social sphere?

[Abadi] Regarding the social sphere, it can be said that there is less primness regarding the veil and some social and cultural issues. However, there is no progress regarding freedoms. Last year alone, more than a thousand prisoners from different leftist and nonleftist forces were executed.

[al-Hilfi] Are any internal changes in Iran on the horizon in the light of the changes that the world is witnessing?

[Amin] We believe that the changes in the world have affected the Iranian situation. We also believe that they will have more and more of an effect in the future. In this regard, one can point to the abandonment of extremist slogans, such as those calling for the export of the revolution and interference in other countries's affairs. However, until recently, these changes have had a limited effect for the simple reason that a balance of forces exists within Iran that does not permit more than that. It suffices for you to know that any action undertaken by the current government faces great pressures, as exemplified by what is currently being faced by the ambitious economic program of the Rafsanjani government. This program is based on foreign relations, the promotion of investments, and the acquisition of loans, all of which is meeting with the opposition of the extremist current and several other currents. Therefore, Rafsanjani has not been able to implement his economic program. In short, there are still fears of the possibility that the extremist current will return to power in Iran. Hence, you find that the Iranian bourgeoisie is unwilling to invest its capital. Nor have Western countries provided anything. All of these are obstacles facing Rafsanjani's economic program.

'Perestroyka'

[al-Hilfi] What about the effects of "perestroyka" on your party's internal conditions?

[Amin] From the start, we have welcomed new ideas and have dealt with "perestroyka" positively, considering it an additional force of socialism, not a repudiation of it, as some believe. We believe that the developments occurring in the socialist countries, such as the masses' participation in political decisionmaking and the spread of democracy and freedoms, are a new phase in the development and enrichment of socialism. Hidden

within this is a repudiation of a model of socialism, a repudiation of the previous mode of socialist administration.

[al-Hilfi] However, doesn't what is happening in several socialist states go beyond many borders? Doesn't it threaten the essential foundations of the socialist experiment?

[Amin] Of course, we have no doubt that this phase will be difficult. It has been marked by retreat and problems. However, the outcome will strengthen socialism's correct foundations, especially regarding democracy and freedoms. In short, I maintain that it is necessary to spread democracy and give the masses an opportunity to participate in political decisionmaking if we want all of these changes to occur. We believe that all of this necessarily entails problems and drawbacks, even dangers. This is natural, because it is occurring within a process of change that can be stopped only by stopping the process of change itself.

[al-Hilfi] Can it then be said that "perestroyka" has complications that pose, or indeed posed, dangers to the experiment?

[Amin] In this regard, the ruling parties erred, because they were not a true vanguard of the masses and did not reflect the masses' aspirations and political needs. These parties were late in effecting changes. If these transformations had occurred years ago, their negative effects would be fewer than those now being generated. These parties have maintained political power through force and the suppression of freedoms, and they have failed economically. They must change all of that now.

[al-Hilfi] In light of the changes that are occurring, what is your position regarding the current government in Iran? Which slogans are you now promoting?

[Amin] For our part, we have attempted to make use all of that in the slogans that we offer to the Iranian masses. We are no longer convinced of the "dictatorship of the proletariat" and we do not propose it in our program. Our current slogans focus on calling for political and party multiplicity and on holding free elections that permit free and democratic competition between all Iranian national forces for the sake of developing Iran through democratic reforms. We have also worked inside the party to develop internal, democratic life. In short, we consider "perestroyka" a positive process that is moving forward.

[Abadi] [Regarding the policy of the current government], we consider the central issue in our current struggle the demand for democracy and respect for human rights in Iran. We believe that a solution to the economic crisis requires the spread and guarantee of democratic freedoms. We also believe that the Rafsanjani government is making a mistake by wanting to solve economic problems with economic solutions alone. We are therefore working to unite Iranian national forces around these slogans.

[al-Hilfi] Is there cooperation between Iranian opposition forces?

[Abadi] There are efforts to cooperate, but they have yet to bear fruit. Regarding leftist forces, there is progress; joint activities between these forces have increased. However, in general, nothing to date has happened within the scope of the opposition.

NEPAL

Hindu State Can Coexist

46000128A Kathmandu THE MOTHERLAND
in English 28 May 90 p 3

[Editorial: "The Secular State"]

[Text] Public opinion appears very much against the government's bid to make the kingdom a secular state. Both for reasons of pride in the only Hindu country in the world as well as out of fear that secularity may mean preponderant attempts at conversions in an impoverished environments, the gradual politicisation of this sentiment appears a near certainty. Government would be wise therefore to stress that secularity in practice does not have to mean the scrapping of the Hindu identity.

There is enough logic in the fear that organised, well financed missionary zeal may erode the very basis of Hinduism in the country. Proselytisation is something Hinduism does not believe in. Nor does Hinduism say that those who follow other religions go to hell. On the other hand, missionary zeal pictured the infidel in more ways than one and the idea of organisations projecting this in the Nepalese village is something quite unpalatable to most Nepalis. This having been said, there are so many ways of secularising a Hindu state. Among other things, questions regarding laws against proselytisation can be dealt with more sensitively than previously. There are likely to be more personal questions of individual freedom in the choice of religion and the legal basis of such freedoms can be brought to use under the Hindu state, too.

PAKISTAN

PPP Leader Urges Opposition To 'Play Fair'

46000137C Islamabad THE MUSLIM
in English 27 May 90 p 6

[Text] Faisalabad, 26 May: Unprecedented success of Pakistan People's Party [PPP] has unnerved the IJI [Islamic Jamhoori Ittehad] with the result that a character assassination campaign against Prime Minister, Mohtarma Benazir Bhutto has been started by the COP [Combined Opposition Parties] not only to defame the Prime Minister but also to destabilise the federal government.

This was stated by minister of state for information, Malik Ahmad Saeed Awan here yesterday, while

addressing a public meeting organised to distribute bicycles among the PPP workers who had undergone jail sentences during martial law for restoration of democracy in the country. Mr Awan disclosed that PPP had won 16 seats in the AJK [Azad Jammu and Kashmir] assembly elections despite extreme odds against the party. He stated that he had been given charge of 6 constituencies and by the grace of God he had succeeded in getting successful results in 5 constituencies. This success, he said, was the result of his untiring efforts and special electioneering techniques.

The results of AJK elections, the minister said, were clear indication of the fact that PPP and Prime Minister Benazir Bhutto were also very popular among the people of AJK.

Lashing out at the COP, Mr Awan said that the opposition's graph of popularity was sharply declining after the successful tour of Prime Minister, Mohtarma Benazir Bhutto of Islamic countries where she had succeeded not only to nullify the Indian propaganda but also winning favour for the Kashmir cause.

Mr Awan expressed hope that Pakistan Peoples Party would succeed in forming a government in Azad Kashmir and this was all the ore imperative in order to formulate a common Kashmir policy and for its effective implementation.

Pleading further the necessity of PPP government in Azad Kashmir, Mr Awan stated that PPP was the only party in the country enjoying mass support and was fully capable of delivering the goods at this critical juncture of our history. It was, therefore, highly imperative that the hands of Prime Minister be strengthened to enable her to face the dangers looming on our borders, he added.

Malik Saeed Awan also criticised the opposition parties for crying on unnecessary and trivial affairs. This, he said was being done deliberately "to divert our attention from the vital matters and entangle us in petty problems and ultimately fail us." This strategy of opposition would not succeed as we are fully aware of it. He also disclosed that the opposition has prepared a plan to launch aa movement against the federal government at the time of forthcoming budget, and was trying to exploit labourers and students for this purpose. Criticising this the minister urged the opposition to come clean, face the realities and play fair.

The meeting was also addressed by Mahmoodul Hassan Dar MPA [Member of Provincial Assembly] M. Latif Randhawa general secretary, PPP, Faisalabad division, Mr Suleman Tahir advocate, Rana Khawar Jawaaid president PYO, and Ali Sher Mujahid.

Later the minister distributed 60 cycles among political prisoners of PPP.

'Save PPP Movement' Plans Protest

46000108B Islamabad THE MUSLIM
in English 20 May 90 p 6

[Text] Peshawar, May 19: The 'PPP Bachao Tehrik' has announced plans to hold a provincial convention by the end of May in Peshawar to decide on launching a protest campaign against the PPP [Pakistan People's Party]-led coalition government in NWFP [North-West Frontier Province].

The Tehrik's provincial convenor, Samiullah Khan in a statement said the protest campaign would include hunger strike, demonstrations long march to Islamabad and 'gherao' of Chief Minister, Aftab Sherpao and his corrupt ministers and advisers. He said the campaign would focus on Sherpao government's misrule and the maltreatment of PPP and PSF [Pakistan Student Federation] activists.

On the conclusion of province-wide tour, the 'PPP Bachao Tehrik' convenor claimed that the provincial government had surpassed all records of corruption while dedicated party workers who offered untold sacrifices for democracy were being removed from PPP and victimized instead of being rewarded. He said a white paper would be published soon to highlight the misdeeds of the Sherpao government. Samiullah Khan also criticized the Chief Minister for his unbecoming attitude towards a journalist in Peshawar recently.

COP Legislators Ask Government To Quit

46000121C Islamabad THE MUSLIM
in English 25 May 90 pp 1, 10

[Article by Shakil Shaikh]

[Text] Rawalpindi, May 24: The All Pakistan Opposition Legislators Convention which was held here on Thursday have adopted a unanimous resolution demanding "the forthwith resignation of the federal government". The demand was made in view of the "fool-proof documents" and factual evidence that were placed before the convention regarding massive corruption indulged in by the federal government officials. The convention regarded the situation as a grave threat to the integrity of the democratic process and economy of Pakistan.

The largely attended COP [Combined Opposition Parties] convention also demanded that a judicial tribunal comprising judges of the Supreme Court be immediately set up to look into the charges against the government.

The convention pledged to continue struggle for the building of democratic institutions which strengthen the process of accountability to the people of Pakistan. It resolved that Chairman Public Accounts Committee, Hakim Ali Zardari, father-in-law of the Prime Minister, should resign and some one from the opposition be appointed in that office in accordance with parliamentary traditions.

The convention of the elected representatives of the opposition, comprising the majority of the members of the Senate, COP members of the National Assembly, 250 members of the Provincial Assemblies and 150 district council chairmen and mayors, was spread over two sessions and was addressed by prominent opposition leaders.

Speakers at the convention highlighted the "gross financial irregularities and rampant abuse of power" by federal ministers, government functionaries and above all "Asif Ali Zardari, husband of Prime Minister Bhutto, and Hakim Ali Zardari, father-in-law of the Premier".

Most of the speakers directly alleged the Prime Minister's direct involvement in some cases. "Unfortunately in many instances the specific orders leading to these irregularities emanated from the Prime Minister's Secretariat.

The convention charged that the ultimate responsibility lay on the chief executive of the country who either had knowledge of these orders or was responsible for issuing them.

Speaker after speaker held Ms Bhutto's government as the "most corrupt administration" in the history of the country. The allegations levelled by the opposition leaders were well supported by the documents more of which were shown through slides.

The first session was chaired by the leader of the COP, Ghulam Mustafa Jatoi. The opposition leader while elaborating his point said that morally Ms Bhutto's government should be ashamed of what it had done over the last 18 months in office.

Apart from others, he directly held the Prime Minister and her husband responsible for the rule by "a team of corrupt people who posed grave threat to the integrity of the democratic values."

The afternoon session was chaired by leader of the opposition in the Senate, Muhammad Ali Khan Hoti.

The participants of the COP convention also proposed a series of conventions on different subjects like national security, lawlessness, collapse of economy, unemployment, inflation, education, Kashmir and Afghanistan and manipulation of executive authority by the government officials, ministers, PPP [Pakistan People's Party] members of parliament. The convention was attended among others by the Punjab Chief Minister and III President Nawaz Sharif, AJK [Azad Jammu and Kashmir] President Sardar Qayyum Khan, Senator Qazi Hussain Ahmad, Dr Farooq Sattar of MQM [Muhajir Qaumi Movement], Mualana Fazalur Rehman, Maulana Mohammad Sattar Khan Niazi, Nawabzada Nasrullah Khan, Khan Abdul Wali Khan and Begum Nasim Wali Khan, Maulana Sami-ul Haq and Iqbal Ahmed Khan.

The COP President Ghulam Mustafa Jatoi in his concluding remarks referred to the deteriorating law and order situation in Sindh and called upon President

Ghulam Ishaq Khan to take a just and firm action ensuring complete protection to the life, honor and property of the people of Sindh. He categorically said that Sindh situation demanded action rising above all petty considerations because it was the question of country's integrity.

He said COP had already demanded that the President should enforce Governor's rule and suspend Sindh Government for its complete failure in coping with law and order problem but the President showed reluctance.

Senator Prof Khurshid Ahmed in his speech dwelt at length on financial irregularities, and extravaganza committed by the PPP government. He said the PPP government after coming into power compromised the nation's economic sovereignty because the decision making has been moved into the hands of the loan giving agencies. Their policies have increased economic burden on the nation.

He said Prime Minister's office and the Finance Ministry were interfering in almost every area of activity in violation of constitutional norms and legal procedure. He said Governor of State Bank A. H. Hanfi who had yet to serve 14 months of his tenure had to take leave before retirement and disappear because of PPP government pressure for the only crime that he refused to accommodate the nominees of the Placement Bureau to the disadvantage of senior and qualified officer of the Bank.

He said the government virtually handed over the strategic Steel Mill to Col Illays Shamim (Retd) who had absconded from military service, was charge sheeted and sentenced to seven years imprisonment. He recruited several thousand persons in the Mill on political basis, caused the production of the mill go down by 15 percent and now when the whole project is facing danger of collapse he has been replaced by another person.

Referring to Gadoon Amazi project Prof Khurshid alleged that the Prime Minister setting aside ban on establishment of gee unit, gave special permission to Syed Qasim Shah, Federal Minister's brother to establish ghee unit with the proposed capacity of 100 ton and projected capacity of 200 ton there. This would entitle the unit for rebate on regulatory duty to the tune of Rs 6,200 per ton and enable the owner earn a windfall profit of around Rs 200 million per year.

The President of National Bank D. M. Qureshi was punished with transfer to Banking Council because he had raised some questions about fresh loans including one to a party "Toyo Nasic" whose security, situation was already over-stretched with an over draft of Rs 130 million. Mr Qureshi in disguise left the country and was given a respectable job in the Islamic Development Bank. He pointed out the PPP government moved 12 top managers and chief executives of financial institutions in the short span of few months only for not complying with the illegal and irregular instructions from the Prime Minister's Secretariat or the Finance Ministry.

He said that Sakarand Sugar Mill is one of the favorite and was able to get huge loan of over Rs 30 million in a few weeks.

COP Concerned Over RAW's Interference

*46000125C Islamabad THE MUSLIM
in English 27 May 90 p 10*

[Text] Islamabad, 26 May: The COP [Combined Opposition Parties] leaders in an emergency meeting held here Saturday took a serious vote of the reported involvement of Indian intelligence agency RAW in spreading ethnic strife in Sindh and preparing ground for sectarian strife in Punjab.

COP leaders categorically said the Sindh government was not only too weak but also irresolute to defend national interests in the province.

In the light of their observations made on "the basis of first hand information" they demanded President Ghulam Ishaq Khan "to act and not to prevaricate."

They regretted that the federal government for the last 18 months has been denying existence of law and order problem in Sindh while Prime Minister Benazir Bhutto has not suddenly realised the gravity of the problem.

They rejected the policy of changing faces to solve Sindh law and order problem and unequivocally demanded declaration of emergency which is the only possible effective step to allow the authorities under presidential rule to deal with lawless elements even handedly.

COP leaders were of the view that the present PPP [Pakistan People's Party] government on the excuse of taking positive and effective steps to deal with lawless elements, was actually trying to smash the MQM [Muhajir Qaumi Movement] and to punish it for dissociating from the PPP, which was their democratic, legal and constitutional right.

They observed that carrying out police raids at the residence of the citizens, the arrest and victimisation of innocent citizens was aimed at harassing the masses for their own ulterior motives, which they unanimously demanded of the government to stop forthwith.

The leaders also warned the Punjab government against the reports of nefarious activities of RAW [Research and Analysis Wing (Intelligence Agency)] and advised it to take adequate measures to control the spread of sectarian tension well before Moharram-ul-Haram.

Taking note of congressman Solarz's visit to Pakistan the COP leaders said although the record showed that Mr Solarz maintained a pro-Indian tilt in South Asian Affairs in the U.S., they hoped that his current visit would not damage Pakistan's interests and that he would take a principled position based on democratic rules and respect for fundamental human rights in regard to the

struggle of the people of Kashmir, particularly in view of his personal friendship with Prime Minister Benazir Bhutto.

COP leaders further hoped that he would use his good offices to ensure that the Indian government ceases its atrocities in Occupied Kashmir and honour its own commitment to implement the UN resolution.

Jatoi Claims COP Can Prove Corruption Charges

*46000124C Islamabad THE MUSLIM
in English 26 May 90 pp 1, 6*

[Text] Islamabad, 25 May: The COP [Combined Opposition Parties] Chief Ghulam Mustafa Jatoi said here Friday that the Opposition was ready to prove charges of corruption levelled against the Federal Government at its Rawalpindi convention at 24 hours notice in the judicial commission comprising Supreme Court judges.

Addressing a Press conference here this afternoon in the presence of Ch. Shujaat Hussain, Begum Abida Hussain and Yousuf Baluch, he rejected nomination of Malik Mohammad Qasim for looking into the charges of corruption saying that "he has no locus standi being a paid servant," and added that it was tantamount to putting the wolf in charge of sheep.

Mr Jatoi categorically said that "we will respect the verdict of such a judicial commission."

Coming to his assistance Syeda Abida Hussain referred to a statement of Khawaja Ahmed Tariq Rahim, Federal Minister, and said none of the COP members made any mention of Bakhtawar, the daughter of the Prime Minister. She, however, clarified that she discussed it with Lt Gen (Retd) Majid Malik that a smuggler had donated a bungalow worth Rs 50 million to Bakhtawar. She said Khawaja Tariq Rahim's statement that Opposition had not spared even three months old baby was sufficient to prove that COP members telephones were being taped and their privacy was being disturbed which was a crime.

Referring to Prime Minister Benazir Bhutto's accusation that Opposition was paving way for the imposition of martial law Mr Jatoi said COP was deadly against martial law and was working to strengthen democracy in the country. Chaos, lawlessness and rampant corruption, on the contrary were paving way for martial law, he claimed.

He said Prime Minister reaction to COP's convention in her Press conference before its conclusion reflected what he called "guilty conscienced."

Mr Jatoi said whenever PPP [Pakistan People's Party]'s high command faces difficult situation it comes out with the simple phrase that Opposition wants to get martial law imposed in the country."

About engaging Mark Siegal as lobbyist he said the said firm was engaged by the Prime Minister for her personal publicity, which was clear from the address, 70 Clifton

Karachi, endorsed on the contract. Had she engaged the Firm for Pakistan the address would have been of Govt of Pakistan, Islamabad, he added.

Jatoi said Mr Niel had already been hired for three years at the rate of three lakh dollars per year as lobbyist for Pakistan but after passage of only one year, his contract was cancelled by the Government unilaterally. He took the case to the court and Pakistan had to pay him over six lakh dollars which included a fine of thirty thousand dollars. The same years the government, he said, paid two lakh fifty thousand dollars to Mark Siegal. He said that the amount ought to have been paid by the Prime Minister from personal account because he was engaged by her in her private capacity.

He accused that the PPP government was allowing the Sindh situation to worsen for its ulterior motives of playing Sindh card to lengthen their stay in power.

He offered COP's unconditional support to the government for improving Sindh situation for the cause of citizens provided it came out with an objective and a formula in this regard.

MQM Chief Says Mohajirs 'Living Miserable Life'

*46000124B Islamabad THE MUSLIM
in English 27 May 90 p 1*

[Text] Karachi, 26 May: Chief of Muhajir Qaumi Movement Altaf Hussain has said that Muhajirs in Pakistan were not only being subjected to all sorts of atrocities but were passing a miserable life.

According to an MQM [Muhajir Qaumi Movement] press release here Saturday Mr Hussain said this while addressing a gathering of Pakistanis at Baden Powell Hall in London Friday evening.

He said that killing of innocent Muhajirs was continuing in Hyderabad and Mohajirs living in other parts of Sindh were being forced to leave their houses. But the regretted that in spite of arresting the terrorists, raids were being conducted on the houses of MQM leaders, elected MPA [Member of Provincial Assembly]s and councillors. PPP [Pakistan People's Party] wanted to crush MQM that way, he added.

The MQM chief said that MQM was the only political party in Pakistan which did not believe in the politics of plots, permits and their representatives to assemblies belonged to the poor middle class families.

He said that MQM had no grudge or indifferences with oppressed Punjabis, Pakhtoons, Balochs and Sindhis and treated them as their brothers. "MQM wants Punjabis, Pakhtoons, Balochis and Sindhis to elect their representatives from poor and middle class families and rid themselves from the clutches of jagirdars, waderas, sardars and chaudhris" he added.

He said that besides mohajirs' legitimate rights, MQM had also concrete programmes for all the oppressed masses of the country and added that all the oppressed people would have to unite to get rid of the two percent privileged class ruling over the country for the past 45 long years.

Mr Hussain said that he had no other alternative but to go on a hunger strike on 8 April to arouse world conscience over the killing of innocent Mohajirs in Sindh, particularly in Karachi and Hyderabad.

400 Students in USSR Get Pakistani Passport

46000125B Islamabad THE MUSLIM
in English 26 May 90 p 8

[Text] Moscow, 25 May: Nearly 400 Pakistani youngmen who came here for studies on Afghan passports after surrendering the Pakistani ones, have, so far, been granted Pakistani passports, informed circles say.

They have passports from the Pakistan Embassy in Moscow which started this process after the Bhutto Government took a decision to the effect early last year in the wake of forceful demands by their sympathisers back in Pakistan.

The embassy has issued travel documents after ascertaining the facts, as provided by the applicant, to the Interior Ministry in Islamabad.

According to the conservative estimate, about 500 more Pakistani youngmen studying in different Soviet universities are yet to get passport. The document of some of them are presently under process.

These youngmen crossed over to Afghanistan during martial law period, surrendered their passports in exchange for Afghan ones and came in the USSR for studies on Soviet scholarships allocated for Afghanistan. They were assisted in the process by some self-exiled Pakistani political leaders living in Kabul and elsewhere outside the country.

However, such Pakistani students are hardly accepted by the Government departments back in the country for the authorities firmly believe that they have become ideologically communists.

Rector of the Lumumba University Moscow Prof Stanis however says "it is not provided in the university rules that we should produce communists, monarchists, politicians and any such like lot. We teach brotherhood, patriotism, peace and internationalism. We have students from the left as well as the right. But I must say there is no life without an ideology."

He rejected the impression that the Lumumba University produced highly politicised professionals. "This is a sheer disinformation. I have heard about it in many countries I visited. At times, those who have studied in my institution have spread the misconception. We do

not produce terrorists as some believe. Of 17,000 students who have completed their studies during the past 30 years in the Lumumba University, many are now diplomats, professors, ministers, doctors and scientists in different countries."

"Academically," he continues, "the university has been rated among one of the top 10 educational institutions of the Soviet Union. It is perhaps the sole university in the world which has up to 84 per cent highly qualified teaching staff."

Punjab-Center Tussle: Decision To Suspend Hostilities Welcomed

90AS0086A Lahore NAWA-I-WAQT in Urdu
25 Apr 90 p 3

[Editorial: "Discarding Khar Operation—A Wise Decision"]

[Text] Disclosing the details of a meeting of the Cabinet Committee for Political Affairs, the Federal Minister of State for Information, Ahmed Saeed Awan, said that in view of the situation on the borders and to promote democracy in the country, it has been decided that if the Punjab Chief Minister, Mian Nawaz Sharif, really wants a compromise, in that case, for the sake of the country's security and to strengthen democracy in the country, we are prepared to do so and, in this connection, talks can be held with the Punjab chief minister. For this purpose, a committee has been set up which will, through talks, examine the possibilities of a high level internal alliance and will prepare the framework for a working relationship. According to newspaper reports, this committee has also decided that, in view of the border situation, Mustafa Khar's contested election should be discarded and the campaign to change the Punjab government should also be halted. This is a very major decision for the [Pakistan] Peoples Party [PPP] and even though it has not yet been formally announced but, from trends, it appears that the federal government has finally decided to adopt a wise and sensible course. The people, whose efforts have contributed to this decision, have done a service to the nation. On this account they are entitled to thanks. Whereas the enemy's troops are engaged in taking up positions for launching aggression against Pakistan and, in Kashmir, India's tyrannical forces are daily living proof of their depravity and hardly a day passes when 8-10 protesting Kashmiri freedom fighter Muslims do not become the targets of Brahmin militarism. India has not really accepted the formation of Pakistan. It is determined to hit us, and in 1971 it cut us into two parts. Now its eyes are on the remaining Pakistan, especially the Azad Kashmir. At this rate we should have been involved in war by now and engaged in efforts likely to frustrate the enemy's designs, but the regrettable fact is that, contrary to this, the Pakistani nation has always been internally divided and disunited and even today, for one and a half years after the restoration of democracy, the government and the opposition are on the warpath against each other. All of their

time, abilities, and national resources are being devoted to this confrontation. It appears as though the holding of elections, and the return of democracy have been the cause of retrogression whereas, in the world, the democratic system is considered a guarantee of public service, national progress to resolve the people's problems, and a high degree of stability and in reality it happens that way. Everyone, except for the selfish aides and ministers clustering around the opponents, is tired of this fight between the government and the opposition, but still this process does not stop. This confrontation has demoralized the common man and the people are suffering from mental depression and delirium. In the center and in the provinces the real business of the government is at a stand still. The economy and commerce is getting paralyzed and now a crafty enemy like India is amassing its troops on our borders, fully determined to take advantage of this golden opportunity. The Indian strike forces have reached the vicinity of Suratgarh and Bikaner. On the Lahore front, the enemy has pulled two brigades from cantonments and advanced them to the front. Against this background, the continuation of internecine conflicts and political hooliganism can only mean that we are fully bent upon committing suicide. May God guide our rulers and grant them the ability to discriminate between real challenge and danger. By suspending the Khar operation and by forming a committee to settle a working relationship with Mian Nawaz Sharif, the Peoples Party has, for the time being, relieved the masses. May God grant this news to be true and may it not be a facade for other tactical advantages. Surely, termination of political confrontation is the exact need of the hour. Now the ball is in the Punjab government's court and now it is hoped that, instead of indulging in obstinacy, it will extend the hand of cooperation. As Mian Nawaz Sharif has unambiguously said that Benazir is my prime minister and she should also accept the right of my party to rule in the Punjab. Now the Punjab government also should announce a cease fire. We hope that both parties will demonstrate good faith and seriousness and if, by leaving the circle of their blind and selfish advisors, they recognize the broader country and national interests, this could mean an end to the festering year-old confrontation and, God willing, India too will not have the guts to cast its evil eyes in our direction. Its attempt is to take advantage of our disunity and divisions. Once we unite, not only will democracy be saved, but national freedom, honor, and identity will also be secure from foreign dangers.

Article Views Agricultural Tax, Islamic Law

46000138B Islamabad THE MUSLIM
in English 27 May 90 pp 4,5

[Article by Rafiullah Shehab]

[Text] The upholders of the Private Shariat Bill just passed by the Pakistan Senate are very happy over this achievement. They have claimed that now it has become possible to enforce Shariah in our country. However keeping in view the attitude of these Ulema about

various issues, it can be said that they had never been honest in the enforcement of the Islamic system in the country. But instead they proved a hindrance in this respect. The Constitution of 1973 provided for the Islamisation of our society but these Ulema opposed this Constitution on one pretext or the other till its shape was completely disfigured by the Martial law authorities.

Islamisation

As a part of the Islamisation of Pakistani society, the government enforced the Pakistan Family Laws. In these laws the interpretation of the various schools of Islamic jurisprudence which were in accordance with the changed circumstances of modern times were adopted. In these laws, the law regards divorce as codified by the jurists of the Jafriah school, was adopted. The interpretation of the Jafriah school was in accordance with the teachings of the Holy Quran and Sunnah. But it was rejected by the upholders of the Shariat Bill, as according to them it was against the Hanafite jurisprudence.

According to the Hanafite jurisprudence innovation regards divorce (pronouncing the word divorced once thrice in one sitting) is a lawful form of divorcing one's wife. This form of divorce was actually introduced by the Muslim monarchs for their ulterior motives. The jurists of the Jafriah school opposed its enforcement as it was against the teachings of the Holy Quran. On account of this it was replaced by Talaq-e-Sunnah in the Pakistan Family Laws. But the Hanafite Ulema refused to accept this interpretation of the jurists of the Jafriah school which even according to them is the correct interpretation of the teachings of the Holy Quran and Sunnah.

The upholders of the Shariat Bill had been demanding from the government the establishment of the Islamic system in the country since its very establishment. But whenever any step was taken in this respect, they opposed it on one pretext or the other. Their attitude towards the Pakistan Family Laws bear ample proof of their intentions in this respect. They had also been claiming that Islam is a complete code of life and contains instructions concerning every aspect of life. It has its own financial system on the details of which jurists of all the schools of the Islamic jurisprudence totally agree.

The enforcement of Islamic law would have facilitated the establishment of the Islamic system in the country. But strangely enough, these Ulema neither presented the details of the financial system of Islam before the masses nor demanded from the government its enforcement. Instead they practically supported the capitalistic system of economy which is totally different from the teachings of Islam.

According to the financial system of Islam, agricultural tax had been the major source of revenue of the Islamic States in various periods of Islamic history. Its introduction in our country can also revolutionise the economy as it will relieve the masses of the hundreds of unjust taxes of the capitalist system which had made their life

miserable. Side by side, the enforcement of the Islamic financial system will eliminate absentee landlordism from the country. It is alleged that these absentee landlords are the benefactors of the Ulema and to save them from elimination, they have ignored the Islamic law which would prove beneficial for the masses of this country.

The history of the agricultural tax goes back to the time of Hazrat Umar when a number of countries had been conquered by the Muslims. To defend the frontiers of the country, the Muslims had to maintain a regular army. To meet its expenses, Hazrat Umar, after consultation with the Companions of the Holy Prophet (PBUM) declared the lands of all the conquered countries as the property of the Islamic State (Kitab-ul- Kharaj, p-25 by Imam Abu Yousaf).

Possession

These lands remained in the possession of the actual cultivators whether Muslims or non-Muslims and they paid a part of the produce of their lands as Kharaj (which literally means agricultural tax) to the Islamic Bait-ul-Maal. On this account these lands were known as the Kharaji lands. All the great Muslim jurists of all the schools of Islamic jurisprudence including those of the Jafriah school unanimously accepted this Kharaj as the major source of revenue of the Islamic State. In this respect even Imam Jafar Sadiq, the founder of the Jafriah school, who opposed the monarchy, did not differ with the verdict of the other jurists. In this respect he declared:

'Jurists of all the schools have agreed that all the lands conquered by the Muslims, would remain the joint property of the whole Ummah including the soldiers and the non-soldiers of this generation and all the generations to come. (Fiqh Al-Imam Jafar Sadiq, vol:II, p-277, Beirut Edt).

As the revenue from agricultural tax (kharaj) was sufficient to meet all the public expenditure of the Islamic State, all the great Muslim jurists issued an unanimous verdict that no mundane tax should be levied in the Islamic State.

Later when the Muslims conquered the Indo-Pakistan sub-continent, the Muslim Jurists, keeping in view the above mentioned decision of Hazrat Umar declared all the lands of the country as Kharaji lands. They also issued verdicts that nobody, not even the Islamic government, can change the Kharaji status of these lands. These will remain Kharaji forever. If and when the enemies of the Muslims conquer any part of these lands, the Muslims are duty bound to take back these lands from the enemy which on being recaptured from the enemy will automatically revert to their original status of Kharaj. (Fatawa Alamgiri Urdu, vol:III, p-528).

The British Government, after the conquest of the sub-continent changed the Kharaji status of these lands by enforcing the law about the Permanent Settlement of

Bengal in 1793. This law converted the supervisors of these lands into their owners. In this way a class of absentee landlords was created. The Kharaj (agricultural tax) of these lands which previously was paid to the government, was not misappropriated by these absentee landlords in the shape of batai (share of the crop). After the establishment of Pakistan, the lands in the country, according to the Islamic Law, have automatically reverted to their Kharaji status. The share of produce of these lands which is being misappropriated by the absentee landlords, is actually the revenue of the Islamic State of Pakistan.

Income from this single source which may consist of share of the government from the produce of these lands whether agricultural or industrial may be so huge that it could well be sufficient to meet all the expenses of the government of Pakistan in this modern age. It is strange that the upholders of the Shariat Bill are still silent on this important Islamic Issue which might prove beneficial for the majority of our countrymen.

In the light of these observations it is submitted that if the upholders of the Shariat Bill are honest in their claim of establishing the Islamic system in the country, they should discuss the details of Islamic Law about agricultural tax and demand its enforcement by the government which will, as already explained above, relieve the masses of the burden of taxes of the capitalistic system which have made their life miserable.

Shariat Bill Termed 'Controversial'

46000138A Islamabad THE MUSLIM
in English 27 May 90 p 6

[Text] Multan, 26 May: Jamiat-e-Ulema-e-Islam (JUI) is prepared to cooperate with other political and religious parties and groups on the issue of enforcement of Shariat Bill. However, the JUI has a right of making amendments in the Bill to make it acceptable to all schools of thought. This was stated here by Maulana Fazal-ur-Rehman, the JUI chief, while talking to newsmen the other day. He said unless the Bill was acceptable to all sects, it would not prove useful for national unity.

Replying to a question, Maulana Fazal-ur-Rehman, MNA [Member of National Assembly], said "we never refused to talk to other leaders on this important bill which has bearing on national life to evolve a unanimous Bill but some parties and leaders who claimed to present people's aspirations had failed to respond to the JUI's offers.

Maulana Fazal-ur-Rehman said that JUI had prepared a draft of the Shariat Bill on the request of People's Party and had several meetings with the PPP [Pakistan People's Party] leaders but the PPP government had put it in cold storage.

Replying to another question, the JUI chief said that the Senate had passed a controversial bill as it did not accept our objections. He said we stand by our demand that

every court should not be empowered to explain the Shariat and only a high level court should be constituted to dispose off Shariat issues. However, he said the court should not be empowered to legislate as it was only the National Assembly which could legislate on the lines of Islamic Shariat.

Maulana Fazal-ur-Rehman said that his party had not closed doors for negotiations with the ruling Peoples government, but unfortunately the latter had betrayed its allies in the MRD [Movement for the Restoration of Democracy].

He said the JUI was not a part of IJI and "we would resist any attempt on the part of Mian Nawaz Sharif to bargain with the Federal government to curtail the powers of the Federal Shariat Court.

Sentenced by Special Court

The judge of special court No. 7 (suppression of terrorist activities) Multan has convicted and sentenced to seven years rigorous imprisonment one Muhammad Akmal of Chah Ghaziabad (Makhdoom Rasheed) on the charge of uprooting railway track on 9 November 1987 near Seetal Mari level crossing. He was booked under 126 railway act. According to details, Muhammad Akmal was caught red handed opening the fish plates and bolts of main railway track on Multan-Khanewal section near general bus stand railway level crossing on 9 November 1987. However, investigation agencies could not find the causes of this act and his affiliation with any political party.

Demand To Impose Agri Tax

Trade chamber, Multan, has recommended the imposition of agricultural income tax to meet the budgetary deficits and to make the country strong and prosperous. Presiding over a meeting of subject committee of trade chambers, Shaikh Muhammad Rasheed, ex-MNA said that Federal Government had invited budget proposals and we had recommended that self-assessment of taxes system be revived and agriculture income tax be introduced. He made it clear that Multan traders would not accept the 30 percent increase in existing taxes and they would be forced to stop payment of taxes to government. He appealed to traders to avoid strikes.

Students' Demo

More than 200 students yesterday staged a demonstration and blocked the road for three hours on Multan-D.G. Khan-Mianwali route by burning tyres as a protest against police's inability of apprehending the killers of a 12-year old girl who was subjected to criminal assault before murder. Students shouted slogans against police and authorities and demanded early apprehension of culprits who are reportedly influential. It may be recalled that some unidentified persons kidnapped a 12-year old girl from her home and subjected her to criminal assault.

Tributes Paid

Mr Justice Munir Ahmed Khan of Lahore High Court Multan Bench has said that a lawyer should be honest, dedicated, well-reputed and master of law so that his client could fully trust him. Paying tributes to Sahibzada Nusrat Ali Khan, and Ch. Muhammad Latif Amritsari he said that these two lawyers had introduced themselves as well-versed and honest lawyers. They never betrayed their clients. Justice Munir said that they were strong pillars of Bar. They had devoted their lives and energies to the supremacy of law. Mr Justice Shaikh Riaz Ahmed, Mr Justice Nazir Akhtr, Nafees Ahmed Ansari, assistant advocate general, Pir Rafi-ud-din, Rai Abdul Hafeez, Ch Saghir Ahmed, and Bar chiefs also paid tributes to two leading lawyers and threw light on their services.

Commentary: 'Be Wary of America'

90AS0086B Lahore NAWA-I-WAQT in Urdu
25 Apr 90 p 3

[Editorial views U.S. intentions regarding Pakistan, terms U.S. ambassador 'Colonel Viceroy']

[Text] The American "intellectual" Salig S. Harrison, in an article published in the WASHINGTON POST, has said that, "Benazir's opponents, who have the support of the military and the Islamic fundamentalists, are using the Kashmir issue to squeeze Benazir out of the government. If Benazir objects to the ISI [Inter-Services Intelligence] aid for the freedom fighters, she gets charged with betraying a Muslim freedom movement and if she joins them in war mongering, the military will very quickly demand full control. Harrison has suggested that, in case of war, America should immediately halt the supply of arms to Pakistan and this decision should be announced in unequivocal terms, in advance." Harrison has presented a strange solution to the Kashmir issue, that by giving Jammu and Ladakh the status of states, the Kashmir state should join India as a confederation. The equivocal policy that America has adopted regarding the Kashmir issue is entirely in consonance with the American "stable stance" and no Pakistani should be surprised at this. Whenever there happened to arise a bilateral dispute between Pakistan and India, "ally, guardian, benefactor", America displayed courage and took the side of India. During the Pakistan-India war of 1965 America stopped military aid to Pakistan and the incredible thing is that it even refused to supply spare parts for the equipment that Pakistan already had. In 1971 India cut Pakistan into two parts in a display of audacity, and America remained a silent spectator. After the termination of hostilities, it, on the contrary, claimed credit for having stopped India from a decisive attack on West Pakistan by issuing the threat of a nuclear war. On the other hand, in 1979, as soon as the Russian forces entered Afghanistan, it suddenly dawned upon America that Pakistan plays a crucial role in its foreign policy. Now that the Russian troops have withdrawn from Afghanistan, America has not only forgotten Afghanistan but, for it, Pakistan is neither important nor vital.

Therefore, America has gone back into the arms of India, and it is its conscious effort that Pakistan should be forced to accept India's supremacy. America wants to give India the same policeman role in the sub-continent that it has bestowed on Israel in the Middle East. The regrettable thing is that the government, formed following restoration of democracy, which, in principle, should have been strong and sturdy does not have the guts to question America. This is because it is beholden to America for its power and the American ambassador, Oakley, has the status of "colonial Viceroy" in Pakistan of America, the only superpower of the world. Policies are made on hints from "His Excellency". Our new government lacks even the guts that, following the withdrawal of Russian forces from Afghanistan, it may initiate purposeful and fruitful talks with Russia regarding maintenance of peace and formation of a broad based government in Afghanistan. The amazing thing is that, as in Afghanistan, so in the case of Kashmir also, America has started making charges of fundamentalism and it believes its "friend" IJI [Islamic Jamhoori Ittehad] to be fundamentalist because it includes Jamaat-e Islami. But there it fails to see a "progressive" party like ANP [Awami National Party], nor does it recognize the religious devotion of the prime minister. Despite these "qualities" they are not fundamentalists in the eyes of America. It is not known since when Jamaat-e Islami has been excluded from American blessings due to a progressive party because, earlier, the progressives used to taunt that America buys Jamaat's literature for distribution. However America keeps changing its likes and dislikes in line with its interests and it is the duty of both the Pakistani opposition and the party in power that, at this delicate and critical juncture, they should remain very wary of America and nor should they misjudge the objectives of its regional policeman, India, which according to defence experts, wants to swallow Azad Kashmir through a limited, lightning strike and it simultaneously wants to cut Pakistan's land connection with China. In this connection, we should also take China into confidence and apprise it of American objectives. Even though, through the good offices of Pakistan, relations between America and China were established in 1970, but the manner in which the American Television networks gave 24-hour coverage to the students agitation in Tiananmen square in Beijing last May has exposed American designs regarding China. Against this background, Pakistan and China need to adopt a common strategy in the region so that both may remain safe from losses resulting from an American-Indian alliance.

Commentary Terms PPP-COP Allegations 'Nauseating'

46000125A Islamabad THE MUSLIM
in English 26 May 90 p 4

[Text] Pick up any newspaper in the morning and instead of getting any news, the primary objective behind reading the papers, all that meets the eye is a spate of PPP-COP [Pakistan People's Party-Combined Opposition Parties] allegations and counter allegations of corruption, nepotism, favouritism and every other malpractice in the calendar. Indeed, if the role of the two antagonists were reversed, the war of vitriolic semantics would be the major constant factor in the changed situation. The common man would still continue to be plagued by misrule and mismanagement of the national affairs no matter who ruled the roost in Islamabad.

The Deputy Leader of the Opposition in the Punjab Assembly, Mr Salman Taseer, has pointed out massive embezzlement in the Punjab exchequer amounting to Rs 392 million during fiscal 1988-1989, all alleged to have been misused in the November, 1988 elections. Not to be outdone in the least, the COP leaders have come out with a neat package of charges against the PPP including corruption, nepotism, favouritism, violating the constitution and virtually pushing the country to the verge of destruction. If this all round political (mis) conduct continues unchecked, there should be no doubt in anyone's mind that both parties will be equally guilty of bringing the country to a possible disastrous or unfortunate pass.

Mutual charges of corruption, which either cannot be proved or are desired to be left unproven, cannot but tarnish the image of our politicians both at home and abroad. As a matter of fact, daily character assassination of each other by the politicians has become nauseating for the people of this country. While those in power and those desiring to be in power shower invectives on each other, the citizens are becoming increasingly disgusted and those across the border, who have never been our well wishers, must be gloating in unholy glee at the spectacle our politicians insist on making of themselves.

Power-hungry as they are, it is understandable that the politicians should disagree with each other—merely for the sake of disagreement. They are welcome to persist in the practice if it pleases them but then, they should refrain from issuing pious statements on democracy. After all, the essence of democracy is the willingness to sit across a table and iron out differences.

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